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China Report

AGRICULTURE



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18 NOVEMBER 1986

CHINA REPORT

AGRICULTURE

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NATIONAL

IMPORTANCE OF WATER CONSERVANCY STRESSED

Beijing LIAOWANG [OUTLOOK WEEKLY] in Chinese No 27, 7 Jul 86 pp 16-18

[Article by Chen Bijiang [7115 1801 1412]: "New Appreciation for the Importance of Water Conservancy in Agriculture"]

[Text] Water conservancy is the lifeblood of agriculture. This is the scientific conclusion drawn from actual practice over several thousand years during the Chinese laboring people's struggle for production. However, in the past few years this truth has faded in the minds of some comrades. The improvement of agriculture, which is the foundation of the national economy, is an important, long-term strategic task for China's economic construction and springs from China's particular circumstances. Therefore, there should be renewed appreciation of the importance of water conservancy to agriculture.

The Role of Water Conservancy in China's Agriculture Cannot Be Underestimated

Since the People's Republic was established, tremendous achievements have been achieved in farmland and water conservancy construction, due to the attention given to it by the party and the state. In only 35 years since the nation was founded, the number of medium- and large-sized reservoirs increased from 10, before liberation, to more than 2,700. The horsepower applied to drainage and irrigation increased from 120,000 hp to more than 78 million hp. At present, the total area irrigated in China has reached more than 670 million mu. According to the annual reports of the UN FAO, this figure is the largest in the world, exceeding that of India, the United States, and the Soviet Union.

The expansion of farmland water conservancy construction has played a very important role in improving China's agricultural conditions, and in assuring high and stable yields. According to statistics, at present, the area in China that is irrigated is less than one-half of all farmland, yet the grain that is produced on it is two-thirds of the total. The People's Victory Canal, which is located in Henan, was the first large-scale project since 1949 to draw water from the Huang He. Work was started in 1951 and completed in 1953. At present, it irrigates 800,000 mu of farmland in Xinxiang City and the surrounding six counties. When this reporter boarded a train and road through this area, he looked out through the window and saw

wheat growing on the land that was uniformly tall and strong. Although this area has contracted the land out to households, it is very difficult to distinguish differences between one family or another. Not far from there, the wheat has already turned gold. In this area, one can see vast stretches of fertile blue water. A responsible comrade in the management bureau of the irrigation district explained that before the canal was built, this area was desolate, sandy, salty, and alkaline. Grain yield was only 100 jin per mu. Now, after the construction of the People's Victory Canal, the dry land can be irrigated and waterlogged land drained. This area has become well-known in north China as a high-yield grain producer. Since 1978, grain yields have exceeded 1,000 jin during successive years and have been 200 to 300 jin higher than the provincial average.

"Water conservancy stabilizes agriculture." The transformation in the People's Victory Canal district is a microcosm of rural China. China's largest plains, on the Huang, Huai, and Hai rivers, were areas that in the past were frequently visited by disastrous floods and droughts. In the early years after liberation, grain production was only little more than 45 billion jin. For a long period, food supplies needed to be sent up from the south. Since 1949, the state has placed high priority on controlling the Huang, Huai, and Hai rivers, and their plains. It has invested more than 25 billion yuan, built more than 4,000 reservoirs, drilled more than 1 million wells, and built a comprehensive, large-scale system of flood prevention and water drainage waterworks projects. This has brought the many years of drought and flood disasters under basic control. The area of infertile land has been greatly reduced. The area irrigated has been increased to more than 137 million mu, transforming this area into an important cotton producer for China. This not only has ended the era of "southern grain assigned north," it also means that more than 20 billion jin of commercial grain can be supplied annually to the state.

Some comrades view things one-sidedly and think that agriculture depends on policies, and now, with good policies, water conservancy is not important. Such a view cannot stand up to the test of experience. Shandong's Heze Prefecture was one of the first areas in the country that implemented the family contract responsibility system. In 1984, residents implemented three agricultural policies relatively well. But if areas with different water conservancy conditions are compared with one another, one sees that areas in which wheat could be irrigated three times had average per-mu yields that were over 100 jin more than in areas in which wheat could be irrigated twice. And areas in which wheat could be irrigated twice had average per-mu yields that were over 100 jin more than in areas in which wheat could only be irrigated once. Anhui's Chuxian Prefecture is well-known throughout the nation as a place that has done a good job of implementing the family contract responsibility system. But in 1984, first floods, then drought hit. Because the water conservancy projects were not systematic, the grain losses were large. In this prefecture's Dingyuan County, the canals were prepared so poorly that the reservoirs had no outlet into which water could be released. Consequently, grain production dropped more than 180 million jin from the previous year. Last year, nationally, grain production dropped 50 billion jin due to the impact

of drought, flood, waterlogging, and other kinds of natural disasters (including some areas in which the area planted in grain was reduced excessively or in which interest in planting grain was low). Yet in Shandong, where farmland water conservancy construction in recent years was done well, grain production did not drop. It increased 1.9 billion jin over the previous year, setting the highest record ever, even though damage from natural disasters was not light. These examples illustrate a truth: agriculture requires good policies, but good policies are no substitute for working on water conservancy. Good policies can generate enthusiasm, but the people's enthusiasm can join only with definite conditions of production before it can help expand production or before the power of the policies can be fully realized.

Water Conservancy Is Long Journey

Two of the basic characteristics of China are that it has a large population and its arable land is small. Agricultural development depends upon intensive cultivation and increasing the yield per unit of area. Intensive cultivation includes technical measures, such as soil preparation, seed selection and propagation, plant protection, field management, and others. It also includes setting up water conservancy projects, expanding the area of irrigated land, improving the capacity to prevent and contain floods, and other measures to improve the conditions of production. At the end of this century, China's population will reach 1.2 billion people. Even if today's standard of an average 800 jin of grain supplied per person is maintained, national grain production must reach 960 billion jin. Obviously, when the present area planted in grain cannot be much expanded, it must be reached by increasing the yield per unit of area. It will be very difficult to reach without a firm base of farmland water conservancy work. According to predictions of relevant government agencies, every jin of grain that China produces requires approximately 1 cubic meter of water. At the end of this century, if total grain production is to reach 960 billion jin, the area of land irrigated must, at minimum, reach 800 million mu. The water drawn for irrigation must increase about one-third over that of the present. This requires that we set up water conservancy projects, scientifically and practically drawing up subsurface water, collecting rainfall, and putting water conservancy to good use.

Considering China's present water conservancy in absolute terms, the area of land irrigated and the size of water resources both are large. But due to the large size of China's population, both are below world averages in per capita terms. The area of land irrigated in China is the largest in the world, but there is only 0.8 mu of irrigated land per capita. China's water resources are the sixth largest in the world, exceeded only by those of Brazil, the Soviet Union, Canada, the United States, and Indonesia. But on a per capita basis, China is only 84th. As far as China's water resources and natural rainfall are concerned, farmland in the Chang Jiang basin and south of the basin is only 36 percent of the national total, yet it has 82 percent of the runoff. Although the farmland in the Huang, Huai, and Hai basins is 40 percent of the national total, it receives only 6.5 percent of the runoff. Consequently, this area often experiences disastrous

droughts. In the northwest and in the border areas, there still are many areas that even lack sufficient drinking water for humans and animals. Natural precipitation varies considerably from place to place and season to season. Nationally, precipitation is most concentrated between June and September.

Particularly noteworthy is the fact that in not a few places in recent years farmland water conservancy construction has not received the attention that it should have. Not only has water conservancy construction not expanded, even existing water conservancy works have not been properly managed. Many have been seriously damaged and their efficiency has declined. According to Ding Zemin [0002 3419 3046], director of the agricultural irrigation department of the Ministry of Water Resources and Electric Power, China expanded the area of irrigated land, on average, by 17 million mu annually, between 1949 and 1980. But during the period of the Sixth 5-Year Plan, the irrigated area in China contracted by more than 7 million mu. The area that could be drained also contracted approximately 25 percent, due to the silting of waterways and destruction of equipment.

According to Ding Zemin's analysis, China's farmland water conservancy construction can be divided into four groups. The first is the area rich in water resources that is centered on the Zhujiang Delta and Taihu basin. Here, irrigation, drainage, and flood prevention are basically sound. The main task now is to dredge and clear the waterways. Another group are areas that in the past began projects and built canals but used low standards and did not have complete projects. Here, there is considerable work that needs to be done. Not only must the waterworks be managed well but existing projects utilized, but there should also be complete equipment installed and maintained. In another group, few projects were built in the past. Today, problems with irrigation, drainage, and low yields have not been solved. In the final group are some places in the northwest. Insufficient water resources mean shortages of water for drinking and irrigation. Now, the first task is to address the problems of drinking water and soil erosion, based on the varying water resources and topography. Ding Zemin feels that at present the task of building water conservancy works is extremely difficult, no matter what the situation or the area.

New Opportunities for Water Conservancy Construction

During the "10 years of chaos," China's agricultural production was severely damaged. In many places, even the most basic subsistence for peasants was problematic. After the 3d Plenum of the 11th CPC Congress, the Central Committee adopted a series of measures that have permitted peasants to recuperate and do well. One of the measures was to restrict temporarily the scale of farmland water conservancy projects and to halt work on projects that were not indispensable. At that time, this was necessary. But now the agricultural situation differs greatly from what it was then. Most recently, we visited some rural officials and peasants. They all said that the agricultural economic reforms in China have now brought an excellent opportunity to work on water conservancy. Now everything is ready. All that is needed is for our leading officials to organize and lead.

In terms of economic resources, in recent years, the problem of subsistence for most farmers has been eliminated, except for a few border or poor areas, or areas in which the population is sparse or old. Incomes have increased significantly. Some places have already started to become wealthy. Now it is possible to take a portion of this money and spend it on water conservancy projects. It is no longer necessary to depend on tightened belts to work on projects. In terms of labor power for the projects, a large quantity of surplus labor has appeared in China's villages since the family responsibility system was implemented. It is estimated that at present surplus rural labor (including surplus work days during the agricultural slack season between winter and spring) is approximately 30 percent of the national total. There is plenty of labor power for water conservancy projects. There is no need to carry out an exhausting labor campaign, as in the past: "As soon as the 29th of the 12th lunar month arrives, finish your dumplings and it's time to set to work." Happily, in addition, the broad masses of peasants themselves now are asking for water conservancy projects. They fully appreciate that if agriculture is to enjoy another large jump in development, there now must be increases in investment and work on farmland water conservancy, which provides rear support.

Under these conditions, it will not be difficult to start water conservancy construction, so long as rural officials at every level carry policies to the masses, explain benefits and costs clearly, and do deep and detailed organizational work. Recently, this reporter visited villages in Henan. This province has a Xinzheng County, which is south of and not far from Zhengzhou City. During spring of this year, the county-level party committee held a work meeting for officials at the county, township, and village levels, focusing on the mobilization of the peasants to work on farmland water conservancy. At first, many comrades had their doubts about this. Later, response was tremendous when the county committee announced measures such as having those who benefit contract to take on responsibility and offering bonuses to those who complete the work ahead of schedule. Some peasants put aside work on their own houses and used the money and construction materials to work on water conservancy projects. Some young people delayed their marriages in order to work on the water conservancy projects. According to statistics, the county raised more than 3 million yuan within only 3 months, and 100,000 people labored on the projects every day. More than 5,300 wells and ponds were built or repaired, more than 470,000 meters of canals were dug, involving the movement of more than 400,000 cubic meters of earth and stone. This not only restored irrigation to the 130,000 mu of land that had lost irrigation due to damaged projects, it also extended irrigation to more than 40,000 mu for the first time. When we visited this county, the provincial water conservancy department was holding a work meeting for the entire province. Liu Zhengwei [0491 2973 1218], vice secretary of the provincial party committee, came especially to encourage the entire province to use the methods of Xinzheng County. During the meeting, we spoke with many leading officials who had many years of experience in water conservancy work and in grassroots responsibility for managing water conservancy work. They all feel that rural China definitely will see a new wave of interest in building

water conservancy projects, in the wake of the improvement of the agricultural economy. In this wave of enthusiasm, everyone will draw on the experiences and lessons of the past, and will respect science and emphasize returns more than at any time in the past. This will bring more practical benefits to the peasants.

The Economic Benefits of Scientific Appraisal of Water Conservancy Investment

At present, there are some people who feel that although water conservancy is important, it requires large investments, takes a long time to pay off, and offers small returns. They say, to commercialize production, they are perfectly willing to work according to economic principles and it is better to use money to invest in building a factory than in constructing water conservancy projects. It pays off to start an enterprise. Therefore, they are unwilling to use money for water conservancy and are not enthusiastic about it.

Indeed, are the economic returns from investment in farmland water conservancy construction high or low? The answer requires scientific analysis. In the past, under the influence of "leftist" thought, there were some unscientific projects built that had low returns on investment. However, generally speaking, the economic returns on all projects built according to natural laws and a scientific attitude are really not low. These economic returns are different from those in building factories or operating an enterprise. When we evaluate their economic returns, we must look comprehensively at both direct and indirect returns, micro and macro returns, and short-term and long-term returns.

For the direct benefits from water conservancy projects, most people point to the income that water conservancy departments collect, mainly water-use fees. In order to encourage and support agricultural development, the state has subsidy and aid policies for agricultural infrastructure. Therefore, regardless of whether water fees are calculated according to the area of land irrigated or according to the quantity of water used, the level of fees is set low. Generally, it is only sufficient to pay per capita expenses to maintain the overseeing government offices and to do small-scale maintenance. It is impossible to undertake large-scale improvements. Nor is it sufficient for recouping the basic construction investment in water conservancy projects such as water reservoirs, embankments, and wells. However, if the indirect returns from water conservancy construction are considered (from the perspective of the peasants, these actually are direct benefits), the returns on investment in many water conservancy projects, such as reservoirs, mechanized wells, and the Huang He water diversion project, are not necessarily less than those from starting new enterprises. The Standing Committee supplied the following information to us: Since 1949, the two provinces of Henan and Shandong, along the lower portion of the Huang He, have invested 1,154,000,000 yuan in water diversion projects for irrigation. The average annual expenditure has been 60.94 million yuan. The average annual net returns in the irrigated districts are more than 210 million yuan. The projects are paid

off in a little more than 5 years. The return on investment is 19 percent. This really is not less than the average industrial enterprise. Among the projects was the People's Victory Canal. When the canal was being built, the main canal and the associated projects in the fields consumed more than 37 million yuan. Although at present the operating units only collect a little more than 1 million yuan annually in direct income, if viewed in terms of the economic returns to agriculture during the past 30 years in the entire irrigation district, then the repayment period was only 2 years. The ratio of returns to capital reached as high as 5.9.

As for water conservancy projects for flood prevention and drainage, it is possible that for many years after construction, due to the weather, they will not fulfill their potential use because of too little precipitation. In some cases, the peasants in some water reservoir districts and downstream will seldom receive any benefits. The returns on investments in these water conservancy projects must be considered in terms of long-term benefits and macro benefits. It is a mistake to look simply at the partial benefits immediately visible. A few years ago, there were some places that only considered immediate benefits and ignored flood-prevention work on rivers. Consequently, as soon as heavy rains hit, the rivers flooded and large areas of farmland were damaged. Losses were heavy, even disrupting the state economic plan for the region. This is an important lesson. In ancient times it was said, "Do not wait until you are thirsty before you dig the well." This kind of farsighted attitude should be used in water conservancy construction.

12994/9190
CS0: 4007/503

NATIONAL

GREATER RELIANCE ON LAW IN RURAL ECONOMIC DISPUTES URGED

Beijing LIAOWANG [OUTLOOK WEEKLY] in Chinese No 29, 21 Jul 86 p 7

[Article by Xiao Wen [2556 3306]: "Improve Rural Economic Legal Enforcement"]

[Text] In recent years, the rural economy has come alive in the wake of the continually deepening rural reforms. Especially after the second stage of reforms began, commercial production has expanded and distribution channels have increased. Horizontal economic links have been strengthened and the entire countryside has shown tremendous vitality.

However, there has been an increase of every kind of economic dispute as the economy has prospered and economic links between individuals and between collectives have been strengthened. Improving economic legal enforcement becomes ever more needed. At present, many rural officials and peasants lack legal knowledge and management experience. In many economic activities, decisions are made rashly and blindly, consequently giving rise to many disputes and cases. They are unable to use the law as a weapon to solve these disputes and cases, thus damaging rural economic development and social unity.

In view of the rural situation at present, improvement of economic legal enforcement has the following important aspects:

First, implementation of economic contracts must be improved. In recent years, individuals among themselves, individuals and collectives, and economic departments of the state have increasingly signed all kinds of economic contracts. It has virtually reached down to individual households. But in the course of implementation, there have also been many disputes. Contracts should have the force of law, but there are some people who do not understand this. When they sign the contracts, they have not thought about the matter sufficiently, or when it is implemented they do not carry it out conscientiously. The results are many contradictions. For example, in one village there are 410 economic contracts of various kinds signed within a certain period of time, and there were some 360 disputes, involving more than 47,000 yuan. This directly hurt normal production in the village. In another case, a village-operated enterprise had contract disputes about accounts receivable with more than 100

household sales representatives. This created serious cash flow difficulties and forced the enterprise to stop production and declare bankruptcy.

In addition, every level of rural official must learn to use methods of legal enforcement to mediate the relationships among peasants, collectives, and the state. For example, ever since the contract responsibility system has been implemented in China's rural areas, the expense of paying for the grain used by officials and school teacher subsidies in collective water conservancy projects, road maintenance, housing projects, schools, utility services, and other projects, aside from using collective income from industrial and sideline industries, has mostly been obtained by assessing individuals. Most peasants cheerfully pay. But in many places, the amount assessed commonly exceeds the peasants' responsibilities, which causes the peasants to react with resistance and refusals to pay. In this kind of situation, when officials go door-to-door to collect the assessments, many disputes result, which damages unity and the expansion of collective activities. In one township, all of the more than 80 schoolteachers who taught at collective schools were not paid for more than half a year because the peasants refused to pay the assessments.

Furthermore, in recent years, many villages have begun to undertake large-scale construction projects, working hard to improve the peasants' housing environment and health conditions. This is basically good, but it has given rise to many disputes because many places lack centralized regulations and strict enforcement of construction codes, land use, division of house sites, etc. This has directly obstructed the smooth progress of rural construction. The most effective way to solve these problems is to use the legal system. Economic sanctions should be used to solve these kinds of disputes and cases.

Now, how should economic legal enforcement be improved?

First, both the symptoms and the causes must be addressed together. At the fundamental level, the hidden troubles and conditions that cause economic disputes and cases must be eliminated. That is to say, at the same time that rural economic disputes and cases are adjudicated, the causes must be addressed too. The individuals involved should be helped to learn lessons and study the appropriate laws and regulations that they disobeyed, so they will know thoroughly such matters in future economic activities. All will monitor each other, and all kinds of potential economic disputes and cases will be eliminated as soon as they appear as sprouts. This will protect the healthy and smooth expansion of rural economic construction.

Second, finding solutions should be kept as the primary goal, because the overwhelming majority of cases of rural economic disputes are really civil disputes. The two sides should be encouraged to mutually accommodate the other and work out solutions. This is the basic principle in China's civil cases. Experience clearly proves that during the resolution of rural economic disputes, finding solutions should be the primary goal. Whatever cases need not go to court should be dropped. The results are

excellent. This way of resolving disputes and cases generally leaves no aftereffects, and consequently has been praised by officials and masses. They say, in the past, "1 year of litigation meant 10 years of fights"; but today it is said that "after litigation, we're still friends."

Third, the economic courts must be improved, perhaps even establishing a traveling economic court which would go to townships and towns to adjudicate economic disputes and cases. Judicial agencies must change the old habit of "handling cases by sitting in court." A much more effective method is for them to go the grassroots level and as quickly as possible go down to the townships and towns to adjudicate cases. It is said that a People's Court in one place began in the latter part of February of this year to assign 23 judges and bailiffs to live temporarily in a township to take up the key points and decide cases right on the spot. In less than a month they had settled 944 economic disputes and cases from 21 villages. This high rate of case disposition is rarely seen.

12994/9190
CSO: 4007/503

NATIONAL

SAVING DEPOSITS IN AGRICULTURAL BANKS REPORTED

Zhengzhou ZHONGGUO CHENGXIANG XINXIBAO in Chinese 28 Sep 86 p 3

[Excerpts]
August 1986

Unit: 10,000 yuan

<u>Area</u>	<u>August Sum</u>	<u>% of Plan</u>	<u>Yuan/person</u>
Beijing	15,764	51	40
Tianjin	43,160	122	117
Hebei	106,958	127	22
Shanxi	38,555	74	18
Nei Monggol	20,615	39	14
Liaoning	45,763	93	20
Jilin	25,111	49	16
Heilongjiang	77,035	95	37
Shanghai	120,790		269
Jiangsu	132,848	76	25
Zhejiang	127,884	96	37
Anhui	43,828	68	9
Fujian	101,242	130	45
Jiangxi	67,055	91	23
Shandong	47,240	65	6
Henan	115,038	84	16
Hubei	105,599	101	26
Hunan	78,985	100	16
Guangdong	201,676	120	40
Guangxi	68,938	106	20
Sichuan	192,934	117	22
Guizhou	27,626	63	10
Yunnan	66,267	78	22
Shaanxi	67,542	111	27
Gansu	35,001	109	20
Qinghai	18,441	80	62
Ningxia	11,870	93	36
Xinjiang	113,738	208	124
Chongqing	21,746	163	
Wuhan	15,687	109	
Shenyang	8,473	172	
Dalian	5,833	61	
Harbin	2,453	61	
Guangzhou	29,270	143	
Xi'an	10,491	88	
Total	2,117,503	102	25

CSO: 4007/47

NATIONAL

PRC DISCOVERS NEW WAY TO GROW HYBRID WHEAT

OW180426 Beijing XINHUA in English 0118 GMT 18 Oct 86

[Text] Xian, 18 Oct (XINYUA)--Chinese genetic engineers have found an easy, new way of growing hybrid wheat in a short time.

The process was discovered by Li Zhensheng, president of the Xian school of the Chinese Academy of Sciences, and his assistants.

Distant hybridization, the crossbreeding of two plants belonging to far different species, is the effective way to create new species and improve old ones. But it needs much time and the transfer of genes is not entirely controlled, so the purposeful implanting of fine genes into any specific plant has troubled world geneticists.

Starting in 1978, Li and his assistants began to apply genetic engineering to distant hybridization. They discovered that the change in the wheat seed's color is closely related to the number of chromosomes, upon which they cultivated four years later the world's first single wheat with a blue endosperm, the nutritive tissue surrounding the embryo, as its genetic sign.

New research in this area is especially important to advances in agricultural production because a wheat seed's 21 pairs of chromosomes could lead to the cultivation of 21 species of such single wheat and further to the cultivation of new breeds of wheat.

At present, Li and his assistants have cultivated four species of this hybrid wheat, and they plan to make ten by 1990, developing all 21 species as quickly as possible.

At the 15th international genetics conference held in India in December, 1983, Li presented his paper on the cultivated wheat, which is disease-resistant and adaptable to adverse conditions.

The paper attracted much attention of the participants, according to officials at the Xian school of the Chinese Academy of Sciences.

In recognition of his achievement, Li has been chosen to chair an international chromosome engineering symposium to be held next week in Xian, the officials said.

Li, 55, graduated from the Shandong Agricultural College in 1951. One of the wheat breeds he developed earlier is now sown to 1.6 million hectares in China, bringing an additional harvest of 600,000 tons every year.

The breed, called "Xiao Yan 6", won a science creation award, first class, in 1985, the officials said.

/12624

CSO: 4020/25

NATIONAL

ADVANCED TECHNOLOGY INCREASES AGRICULTURAL INCOME

OW201902 Beijing XINHUA in English 1527 GMT 20 Oct 86

[Text] Beijing, 20 Oct (XINHUA)--China has increased its agricultural income by introducing advanced scientific technology in the last three years.

The Ministry of Agriculture, Animal Husbandry and Fisheries has popularized 244 new techniques in the field, resulting in income increases of 9.84 billion yuan (2.6 billion U.S. dollars), a ministry official said here today.

Most of the techniques have been adapted in such fields as farming, animal husbandry, aquatic industries, farm machines and energy resources, the official said.

"It is easier for farmers to accept these new techniques when they show obvious positive economic results," he said.

The overuse of chemical fertilizers has made the soil less fertile. Since 1983, the ministry has helped farmers use mixed-feed on 6.5 million hectares of land and trace-element manure on 4.6 million hectares.

This has increased income by 957 million yuan (250 million U.S. dollars), and 659 million (170 million U.S. dollars) respectively, the official said.

Introduced from abroad, the technology of poly-house cultivation has been utilized on 800,000 hectares of cotton, oil crops, fruit and vegetables. By doing so, the peasants have earned an additional 520 million yuan (141 million U.S. dollars).

Advanced techniques have also been introduced in the cultivation of rice on 50,000 hectares of north China's uplands, where corn had been the traditional crop. This has resulted in an additional income of 48.5 million yuan (13.1 million U.S. dollars) over planting corn.

The skill of raising poultry in cages has also been popularized in rural areas in 20 provinces and autonomous regions. Now poultry farmers can earn more from each chicken than when using old techniques.

Farmers in Beijing suburbs now supply urban markets with 100,000 tons of eggs from 16 million caged hens.

NATIONAL

VEGETABLE EXPORTS 'HAVE SOLD WELL,' COULD INCREASE

HK220840 Beijing CHINA DAILY in English 22 Oct 86 p 2

[By staff reporter Tian Ying]

[Text] China's vegetable exports have sold well, but the country's potential for such exports has yet to be fully realized, according to an official from the country's leading import and export corporation.

About \$130 million worth of canned vegetables were sold on foreign markets in the first eight months of this-year, and exports are expected to hit \$200 million by the end of December, said Li Lingxian, head of the canned food department of the China National Cereal and Oils Import and Export Corporation.

Chinese canned vegetables are popular in West Germany, France, Japan, and United States, Canada, northern Europe and Hong Kong, Li said.

Half of the exported canned vegetables are mushrooms, while Chinese canned asparagus, tomatoes, broad beans, cauliflower and water chestnuts are also big sellers in foreign countries and regions, Li said. More than 100,000 tons of canned asparagus alone are exported each year, Li said.

About 190,000 tons of Chinese fresh and frozen vegetables and pickles, valued at \$60 million, were sold on foreign markets between January and July this year. Exports for the year are expected to exceed \$100 million, said Lu Chengguan, who is in charge of the corporation's fruit and vegetable department.

About 70 fresh or frozen varieties including garlic, potatoes, cabbages and turnips are exported to Japan, Southeast Asia, Hong Kong and Macao each year.

But this figure is not worthy of the country's rich vegetable resources, vast expanse of land and low labor costs, Lu said, adding that the country should fully tap its potential to improve old varieties and introduce new ones.

According to the newspaper ECONOMIC INFORMATION, a recent national meeting on vegetable farming held in Wuhan resulted in several proposals to improve vegetable quality and increase variety and production.

Farmers should use scientific methods to grow vegetables. Traditional methods and old experience are not enough to grow export, quality crops, representatives at the meeting said.

Agriculture research institutes should study vegetable disease resistance, soil and fertilization and introduce new varieties to growers, and vegetable-growing centers should be established, the representatives said.

The government should place emphasis on the technology of vegetable storage and on developing the canned food industry.

Those at the meeting also proposed that the government take immediate steps to reduce industrial pollution that has harmed the growth of vegetables in suburban areas.

/12624

CSO: 4020/25

NATIONAL

LIAOWANG ON PRC FORESTRY CRISIS, SOLUTION

HK190546 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 41, 13 Oct 86
pp 22-23

[Article by Liaowang reporter: "The Crisis Faced by Chinese Forestry and Its Way Out"]

[Text] Dong Zhiyong, vice minister of forestry, recently issued a warning: If the current cutting rate continues unchecked, forest reserves of two-thirds of China's forest regions will be exhausted and there will be no forest trees to fell there in 10 years or so to come. This warning was issued by Dong Zhiyong according to an extensive survey conducted by forestry departments at a national conference of forestry department and bureau heads held not long ago. He said: There should be a strategic change in China's thinking on the management of forestry, moving from the previous concept of developing Forestry for "economic utilization" to that of developing forestry for "ecological utilization." Only when we understand and direct forestry production in line with the principle of ecological utilization can China's forestry be significantly developed.

Graduated from the Forestry Department of the Dongbei (Northeast) Agricultural College in 1952, Dong Zhiyong, 58, has worked in the forestry sector for quite sometime and was appointed vice minister of forestry the year before last. Looking back at the road China has traversed with its forestry, he said: Since 1979 voluntary afforestation activities have been carried out in all localities throughout the nation and a responsibility system in forestry production has been introduced in rural areas, thus resulting in a large number of households and combines specializing in forestry. All this has breathed new life into forestry. However, at present forestry has not freed itself from three predicaments or crisis.

The first crisis is a crisis in forest resources. Forest growth and cuts are not balanced and the "excessive cutting" of forests remains out of control.

The second is the economic crisis of forestry enterprises. Handicapped by exhausted forest resources, a number of forestry enterprises have found it difficult to maintain simple reproduction and have reached the verge of bankruptcy.

The third is a qualified personnel crisis. Now forestry departments throughout the country have only 150,000 professionals of various types. By 1990 the actual need will amount to approximately 300,000 people but currently, the number of professionals graduating from forestry colleges and schools every year is just several thousand people. Moreover, some of the graduates are not willing to work in out-of-the-way forest regions.

"Excessive Cutting" of Forest Upsets Ecological Balance

China's state-owned forest regions are mainly distributed in the Northeast, Nei Monggol, the Southwest, and the Northwest, covering an area of some 60 million hectares or equivalent to 6 times that of Jiangsu Province. The timber reserves in this vast area constitute 70 percent of the nation's total forest timber reserves. These forest regions are mostly situated in the upper reaches of the Nation's rivers and the areas where minority nationalities live in compact communities. In the geographic area of the Northeast and Nei Monggol, the Da Xinganling, Xiao Xinganling, and Zhangbai Shan forest regions form an ecological system with forest as the main body, nursing the Songnen, Sanjiang, and Liao He Plains and giving shelter to the Hulun Buir Grassland renown at home and abroad. It provides a natural defense for the development of agriculture and animal husbandry in the Northeast. The Yalong Jiang, Jinsha Jiang, Min Jiang, and Longbai Jiang forest regions in the Southwest are the source of the Chang Jiang. The Qilian Shan, Altay Shan, and Tian Shan forest regions are the lifeblood of agriculture and water conservancy in the Southwest.

To strengthen the management, development, and utilization of state-owned forests, the state has set up 131 forestry administrative enterprises in state-owned forest regions one after another. In recent years, to protect resources in forest regions and to curb the "excessive cutting" of forests, the state, in view of the very strained timber supply, has had to slash the quotas of forest regions to allot and transfer timber and it has taken various measures to keep "excessive cutting" of forests in check. However, in terms of the real situation, the problem of "excessive cutting" of forests remains quite serious. According to statistics, of the nation's 131 forest bureaus, 61 are involved in "excessive cutting" of forest and 25 are confronted with the problem of exhausted exploitable forest resources. Cutting forests excessively has seriously upset land protection and the ecological balance. The materials of the survey conducted by the Office for Soil and Water Conservation of Heilongjiang Province show that because "excessive cutting" of forests and other reasons, soil erosion has caused a loss of 5 million hectares of land in the province, including 4 million hectares of cultivated land, thus reducing land fertility and the output of crops. In the Southwest's forest regions, the perennial excessive cutting of forests has drastically reduced the forest resources in the area where the Chang Jiang rises and caused serious soil and water loss and constant mud-rock flows.

Forestry Enterprises Shoulder a Heavy Economic Burden

To solve the problem of excessive cutting, since 1979 the state has reduced some of its timber output and increased import of timber. Logically, the problem of excessive cutting of forests should have been alleviated or solved but in reality, not only has the problem not been alleviated or solved, but it is also becoming more and more serious. The reasons behind this state of affairs are that many major economic relations between the internal and external departments of forestry enterprises have not been straightened out and there are still many problems in the existing price system, tax policies, and the planning, financial, and management systems currently in force and the enterprises have had to bear an unbearable economic burden for a long time. To lessen the heavy economic burden, the enterprises had to fell trees for timber "outside the plan" very reluctantly so as to survive for the moment. In 1979, organizations engaged in the forestry sector in Heilongjiang Province produced 11.32 million cubic meters of timber and handed over 26.2 million yuan in profits to the state; in 1984, timber output dropped to 9.72 million cubic meters and the target of profits should have been lowered but in reality, the profits turned over to the state's financial departments instead drastically amounted to 100.2 million yuan or the equivalent to 380 percent of the 1979 figure.

Save Forest Resources -- State With Straightening out Economic Relations

With many problems to tackle, which one should we start with in saving forest resources? Based on their investigations, forest experts held: The problem of a resource crisis in state-owned forest regions is in essence an economic issue. Therefore, it is necessary to start with straightening out economic relations. In other words, among other things, the economic relations between external and internal departments of forestry enterprises should be smoothed out.

Among others, the enterprises' total timber output should be readjusted to a rational level and efforts should be made to ensure most enterprises will gradually carry out forest cutting according to rational quotas by the later period of the Seventh 5-Year Plan.

In terms of external economic relations, it is now necessary to straighten out things in the timber price system and to thoroughly wipe out the irrational phenomenon in which there currently exist prices for timber within the state plan, timber outside the state plan, and for imported timber. Some tax policies incompatible with the characteristics of forestry should be abolished. In addition, it is imperative to set up a forestry fund system so as to meet the needs of restoring forest resources.

In terms of internal economic relations, among other things, it is necessary to start with the operations and management of the internal departments of forestry enterprises, to continue to perfect the various forms of the economic responsibility system compatible with the characteristics of forestry,

and to fully mobilize the enthusiasm of staff members and workers as well as the masses of people of forest regions for production. Efforts should also be made to change forest regions' production patterns, to strengthen later economic associations, to reform the labor and employment system in the regions, and to tighten the management and supervision of forest resources proceeding from the internal departments of enterprises.

The Way Out For Forestry to Extricate Itself From a Predicament -- Change the Thinking of Managing Forestry

According to China's forestry development plan, by the turn of this century, China's forest cover will increase from the current 12 percent to 16 percent. In other words, from the start of the Seventh 5-Year Plan, the area of newly afforested land will amount to 30 million mu a year and that of hillsides closed to livestock grazing and fuel gathering to facilitate afforestation 10 million mu. By the year 2000, the country will have an additional 600 million mu of forest. In the last few years, China has made herculean efforts in afforestation. According to statistics, more than 100 million mu of land was afforested every year. However, the statistics were "inflated." In reality, the figure is about 50 million mu. Moreover, the survival rate is just about 40 percent. This being the case, the real figure is only 20 to 30 million mu. Therefore, it is no easy job to afforest 30 million mu of land a year in the future.

Vice Minister of Forestry Dong Zhiyong pointed out: To extricate forestry from the predicament currently confronting it and to accelerate the rejuvenation of China's forestry, it is imperative to be determined to effect a strategic change in the current thinking of managing forestry. He said: China's thinking of managing forestry has all along failed to break away from the convention of "giving first place to major timber" for quite some time. In the 1960's, although we advanced the idea of using forests continually, it was confined to the continuous use of timber. Therefore, we have for many years judged whether a forestry enterprise is well operated or not by how much timber it has turned out, how much timber it has provided to the state, and how much profit it has earned from timber trade. This has objectively helped encourage forestry enterprises to engage in wanton felling or excessive cutting of forests in defiance of the state plan, thus grossly impairing forest resources.

In fact, on no account is the forestry function confined to producing timber. It is multifaceted. In forest regions there are not only arbors, bushes, herbs, bryophytes, and lichens, but also many fungi, microbes, and wild animals as well. They form a complicated ecological system compatible with the natural environment. Therefore, as far as a large forest region is concerned, not only does it produce timber and other forest products for the state but it also plays a multiple ecological role in conserving water, achieving soil and water conservation, giving protection against wind in fixing sand, protecting farmland, purifying the atmosphere, preventing pollution, and in providing an environment for tourism and recreation.

A forest itself is a big ecological system and a big system in the terrestrial ecological system. The conditions of forests have a bearing both on the environment in which human beings live and multiply and on the development of the national economy. As far as a country is concerned, if it has limited forest resources, it can satisfy the needs of the national economy for timber and other forest products by importing these goods or by other means. However, the aforesaid ecological role played by forests cannot be replaced by imports or other means.

Dong Zhiyong said: Since forests have such a great ecological role to play, it is necessary to turn our previous concept of managing forestry for "economic utilization into that of managing forestry for "ecological utilization." He maintained: Stressing the ecological utilization of forests does not necessarily negate its economic utilization, because ecology and economy are indivisible. Only when the maximum ecological benefit is maintained can a continuous supply of timber and other forest products be obtained. On the contrary, the evil consequences of ecological imbalance will ultimately bring huge economic losses. In the past, although we gained some economic results in wantonly opening up forests, more often than not, it will take us several times the economic resources or efforts of several generations to make up for the losses caused by such denudation. Such as soil and water losses, breakout of mountain torrents, and environmental pollution.

Dong Zhiyong said: The change in the thinking of managing forestry needs an appropriate change in the work of all fields. First, it is necessary to reform the current forestry policies, forestry management system, and the economic structure. Next, it is necessary to put various forests, such as mountain forest, plain forest, and various protection forests; the planting of trees on the fringes of villages, along rivers and roads, and round cottages; and urban greening work under unified management and operation and to work out unified plan for such work from the ecological point of view. Moreover, we should no longer regard forestry as the exclusive affair of forestry departments but should instead regard it as a matter that concerns society's various departments. Therefore, all society should concern itself with forestry.

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CSO: 4007/37

NATIONAL

DEFORESTATION, SPREADING DESERTS CAUSE CONCERN

HK211016 Beijing CHINA DAILY in English 21 Oct 86 p 3

[Text] China's three forest regions in the Northeast, Southwest and South are shrinking rapidly and this is contributing to natural disasters and allowing deserts to spread, according to CHINA ENVIRONMENTAL NEWS.

Because of the loss of forest reserves, drought, flood, soil erosion, silting of water-ways and growth of deserts have become more and more serious. Areas affected by disasters in 1984 were four times the size of those in 1952, according to the report.

The following information also came from the report:

In Northeast Heilongjiang, the province with the largest forest cover, tree area has dropped to 35 percent from 52 percent of the 1950s. Yichun Forest Region, famous as the province's "home of the Korean pine," now has only a 1.7 billion-cubic-meter timber reserve. It had 4.2 billion cubic meters in the 50s.

Yunnan Province's forest cover dropped from 54 percent in the early 50s to 21 percent in 1982. In the province's Xishuangbanna area, forest cover dropped from 55 percent in the 50s to 33 percent in 1979.

The percentage of overall forest cover in Sichuan, another province in the Southwest, dropped from 20 in the 1950s to 12.5 in the late 70s. In heavily-forested west Sichuan, tree cover went from 40 percent to 14 percent in the same period.

Hainan Island, with a rare tropical forest in the South, lost its forested area at an average rate of 2.6 percent per year from the 50s to 1979. The forest cover there dropped from 30 percent to 13 percent during the period.

Jilin Province in the Northeast is becoming drier. In the average five years now there are three of drought to two of flood. Over the past 150 years this has changed from an average one year of drought and four of flood. The western part of the province has become a semi-arid area.

Sichuan Province, which used to have plentiful rain, began to suffer from annual droughts recently, with spring dry periods lasting as long as 100 days. The loss of forest cover has affected the rainfall pattern.

According to the Dujiang Weir Hydrologic Station in Sichuan, the Minjiang River's average rate of flow decreased by 28 cubic meters per second in the 70s, compared to that in the 60s. The Dujiang Weir, which has been controlling waters in the Chengdu Plain for several thousand years, now has to deal regularly with lack of water in drought season and too much water in flood season. Both are blamed on excessive tree cutting.

Another problem caused by tree-felling is soil erosion. The eroded area in Sichuan has now increased to 1.55 million square kilometers from 1.16 million in the 50s. Every year the country loses 50 billion tons of soil.

China's present desert area is 170,000 square kilometers, including 50,000 square kilometers of newly-formed desert. Together with another 158,000 kilometers of near-desert, China's arid regions make up 3.4 percent of the country.

Semi-arid grassland in the north yields less now than it did in the 1950s. Only 525 kilograms of grass can be grown per hectare, while in the 50s the figure was 2,025 kilograms.

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CSO: 4020/25

NATIONAL

BRIEFS

NEW GROWING TECHNIQUE--Nanjing, 22 Oct (XINHUA)--A new growing technique combining agriculture and forestry has been popularized in China, an agricultural expert said today. The method, compound eco-system, an advanced scientific experiment in crop and tree combination planting, was the topic of a symposium which closed last Sunday in Nanjing, capital of east China's Jiangsu province. China has a long history of crop rotation and developing agriculture, forestry and animal husbandry at the same time. Chinese scientists at the meeting considered the traditional Chinese growing methods guided by modern ecologic theory as helpful to overall farming, forestry, animal husbandry, and fisheries development, side-line occupations, and raising economic output. The agricultural experts regard use of the new growing method as an important way to achieve China's agricultural modernization. Over 3.3 million hectares of farmland in seven provinces have been used for testing this method. As natural conditions vary, provinces individually decide what crops to develop from their experience in farming. For instance, north China's Henan, Hebei and Shandong provinces grow paulownia trees and wheat at the same time, while in Jiangsu province metasequoia trees and paddy rice are cultivated together. [Text] [Beijing XINHUA in English 0807 GMT 22 Oct 86 OW] /12624

LABOR PRODUCTIVITY RAISED--Beijing, 21 Oct (XINHUA)--China's rural economic reform has raised the productivity of labor and land, an official of the state statistics bureau said today. According to the official, between 1978--when the reform began--and 1985, the rural social output value per worker rose 92 percent to 1,706 yuan (361 U.S. dollars). During the period, the output value of one hectare of cultivated land rose 49 percent to 20,000 yuan (about 5,400 U.S. dollars), he said. "These increases show the country's agricultural foundation has been solidified," said the official. He attributed the productivity growth to the rural household contract system, which allows farmers to sell remaining crops at market prices after they have fulfilled their government contracts, and to the overall development of farming, forestry and animal husbandry. Other factors were the growth of fisheries, sideline occupations, industrial enterprises and service trades, he said. [Text] [Beijing XINHUA in English 1444 GMT 21 Oct 86 OW] /12624

NATION PRESENTS FISHING MACHINERY--Manila, 17 Oct (XINHUA)--The Chinese government presented a set of fishing machines to an aquaculture training center under the Philippine Agriculture and Food Ministry today in response to a U.N. call to help Asian countries expand fish and prawn farming. The machines, including an impeller aerator, a beater, a mixer and a soft pelleter, are adapted to the needs of developing countries like the Philippines for promoting fish and prawn breeding. A demonstration operation of the fishing machines was held yesterday, the world food day, at the Asian aquaculture center under the U.N. Food and Agriculture Organization (FAO). More than 300 fishery experts and technicians from various parts of the country attended the demonstration. Many of them praised the Chinese machinery for its small size, compact structure, easy operation and less power consumption. Deputy agriculture and food minister Emil L. Ong accepted the four fishing machines today from a representative of the Chinese Agriculture, Livestock Breeding and Fisheries Ministry. He suggested that an exhibition of Chinese farming and fishing machinery be held in Manila next year. The Chinese ministry presented a set of fishing machines to Thailand's Agriculture and Cooperatives Ministry last month. [Text] [Bijing XINHUA in English 1830 GMT 17 Oct 86 OW] /12624

CSO: 4020/26

GANSU

BRIEFS

WFP AID IN WATER CONSERVATION--Lanzhou, 15 Oct (XINHUA)--With help from the World Food Program (WFP), northwestern China's Gansu province is speeding to make arid land useful. Located in the arid areas of the province, the five projects are being built mainly to bring in water from the Yellow river to irrigate the local dry land, which covers 67,418 square kilometers and has a population of 5.5 million people. The completion of the projects, expected 1987-88, will make another 24,000 hectares of land useful, said an official from the provincial department of water conservation. Work began in the early 1970s, and WFP began to aid the projects in 1982, the official said. "Instead of aiding with money, WFP offers three kilos of wheat and 50 grams of cooking oil for each worker per day, making a total of 172,000 tons of wheat and 2,800 tons of cooking oil for the five projects." Some of the projects have already been of benefit to the area, the official said. Last year, grain output increased by 4,320 tons, and the increase is expected to be 15,000 tons this year. "At least the local peasants now have enough to eat," he said. [Text] [Beijing XINHUA in English 0756 GMT 15 Oct 86 OW] /12624

CSO: 4020/26

GUANGDONG

BRIEFS

SALT OUTPUT--As of the end of August, Hainan had produced 251,000 tons of crude salt, fulfilling 99.63 percent of the annual plan. At present, 126,000 tons of crude salt have been transferred out of the island. There are 9 state-run saltworks on the island, with an annual production capacity of 200,000 to 300,000 tons, 60 to 70 percent of the salt is sold outside the island. [Excerpts] [Zhengzhou ZHONGGUO CHENGXIANG XINXIBAO in Chinese 5 Oct 86 p 1]

GUANGDONG SHELLAC OUTPUT--Guangzhou, 26 Sep (XINHUA)--Farmers working independently in mountainous areas of Guangdong Province in southeastern China have invigorated the local shellac industry, officials said today. They said that thanks to the farmers' work, Guangdong's shellac output is expected to top 300 tons this year, 100 tons more than in 1985. Shellac, produced from tree resin and used in making varnish, is in short supply both within China and abroad. According to the officials, Guangdong farmers have planted more than 26,000 hectares of shellac, and in doing so have improved their standard of living. Probably the most successful has been Yang Xiquan, a farmer in Yuanxin township in Xingning County. According to one official, Yang was "living from hand to mouth" until he planted his first 13 hectares of shellac trees on unused mountain land. In 1985 alone, the official said, Yang earned more than 7,000 yuan (U.S. \$1,890) by producing 2 tons of raw shellac, and he expects to earn more than 10,000 yuan (\$2,700) this year. [Text] [Beijing XINHUA in English 0752 GMT 26 Sep 86] /9599

CSO: 4020/31

GUANGXI

YULIN PREFECTURE FIGHTS SERIOUS DROUGHT

HK300857 Nanning Guangxi Regional Service in Mandarin 1100 GMT 29 Sep 86

[Text] Yulin Prefecture is being hit by serious autumn drought. Over 500,000 people are now fighting the serious drought and protecting young crops.

The rainfall in Yulin Prefecture since the beginning of autumn this year decreased by about 80 percent over the same period of previous years. As a result, the water stored in reservoirs decreased by some 300 million cubic metres compared with the same period of last year. Some 1.51 million mu of late rice are hit by the drought, accounting for 37.5 percent of the total late rice-growing area.

To fight drought and protect young crops, leaders at all levels in Yulin Prefecture, in accordance with local reality, have adopted various effective measures. For example, Yulin City has appropriated some 35,000 yuan as a special fund for fighting drought, and will draw water from the (Xiaopingshan) Reservoir in (Rongan) to (Funian), (Rendong), and other towns and townships hit by the drought. Pingnan County has reduced its power consumption in daily life to ensure the power supply needed by the rural areas to fight the drought. Yulin Prefecture has so far saved some 377,000 mu of late rice in the antidrought struggle.

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CSO: 4007/44

GUANGXI

SECOND SUGARCANE HARVEST IN 1986

OWI31134 Beijing XINHUA in English 1056 GMT 13 Oct 86

[Text] Nanning, 13 Oct (XINHUA)--A new policy helped sugarcane growers in China's Guangxi Zhuang autonomous region, one of the country's major sugarcane producers, reap their second bumper harvest this year.

A provincial official told Xinhua today that the sugarcane output this year totals nine million tons, nearly 22 percent more than the record harvest last year. The raw cane is expected to produce one million tons of sugar.

Guangxi's subtropical climate provides excellent growing conditions for sugarcane, but, only 113,000 hectares of land in the region were used for planting sugarcane with an annual output of 1.8 million tons before 1977.

The regional government has adopted a number of flexible measures to assist sugarcane growers in recent years. They include raising the purchasing price of sugarcane, allowing farmers to trade sugarcane for grain, providing them with sufficient fertilizer and fine quality strains of seedlings and encouraging them to adopt advanced growing technology. As a result, the region's growing areas for sugarcane are nearly double the 1977 figure.

The local authorities also encourage farmers to plant sugarcane on dry land. A batch of drought-resistant, early-ripening, high-yield, fine quality strains have been cultivated in recent years. By using scientific growing methods and good seed strains the per unit yield increased from the previous 22.5 tons per hectare to the present 43.5 tons.

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CSO: 4020/26

HEILONGJIANG

BRIEFS

1986 HARVEST INCREASE OVER 1985--Harbin, 13 Oct (XINHUA)--Northeast China's Heilongjiang province is harvesting a bumper crop this year as more than 16.8 million tons of grain, soybeans and sweet potatoes have been brought in from the fields -- 2.8 million tons more than last year. The province's cultivated land accounts for one-tenth of the country's total. The harvest has been completed despite a big flood last year. Local officials estimated the province's total output is liable to exceed the harvest year of 1984. In addition to meeting self sufficiency, the province also sold five million tons of crops to the state annually over the past few years. Some of the soybeans and corn were exported. [Text] [Beijing XINHUA in English 1050 GMT 13 Oct 86 OW] /12624

PADDY RICE HARVEST--Heilongjiang Province reaped a bumper paddy rice harvest this year. The per-mu yield of the province's 1.6 million mu of paddy rice fields averaged more than 250 kg. [Summary] [Harbin Heilongjiang Provincial Service in Mandarin 1000 GMT 24 Sep 86 SK] /9599

CSO: 4007/44

HENAN

HENAN AUTHORITIES ARRANGE DISASTER RELIEF

HK270321 Zhengzhou Henan Provincial Service in Mandarin 2300 GMT 26 Sep 86

[Excerpts] According to HENAN RIBAO, the provincial party committee and government held a meeting of responsible comrades of provincial organs on 25 September to convey the spirit of the standing committee meeting of the provincial party committee and arrange the work of disaster relief through production.

Zhang Zhigang, member of the standing committee of the provincial party committee and vice governor, spoke at the meeting. He said: This autumn the province has suffered some of its worst natural disasters on record, the main one being drought. According to the statistics of departments concerned, some 80 million of the 100 million mu of autumn crops are affected by the disasters, and output has fallen by more than 30 percent on 65 million mu. There is no harvest at all on 21 million mu. The situation is quite serious.

The CPC Central Committee and State Council have showed great concern and support since the disasters occurred. The party, government, and army leading organs have led the cadres and masses of the province to wage stubborn struggle against the disasters. They have done as much as possible to reduce the losses.

However, as the disasters this year have been frequent and serious, the task of relief through production in the coming winter and spring is extremely arduous. Zhang Zhigang demanded that the party committees and government at all levels view the gravity of the situation, which must not be taken lightly, and also view the favorable conditions for overcoming difficulties and avoid flying into a panic and losing heart.

Zhang Zhigang said regarding the guiding principles and measures for disaster relief and extricating people from poverty that the province must regard self-salvation through production as an urgent and important task in the coming winter and spring. At present the effort to sow sufficient wheat and sow it well must be regarded as the overriding central task. All sectors must support the rural areas in sowing wheat, so as to lay a good foundation for a bumper summer harvest next summer and keep the masses mentally stable. We must make good use of the favorable opportunity during winter and spring to carry out water conservancy construction and improve the capacity to resist natural disasters. We must vigorously launch self-salvation through production, with self-reliant efforts as the main factor and state support as supplementary. We must make proper arrangements for the masses' livelihood in disaster areas.

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CSO: 4007/44

HUBEI

BRIEFS

COTTON EXPORTS--In 1984, Hubei exported more than 6,000 tons of cotton, in 1985 Hubei exported 42,000 tons, and this year the province plans to export 70,000 tons of cotton. [Excerpts] [Wuhan HUBEI RIBAO in Chinese 30 Sep 86 p 2]

CSO: 4007/47

HUNAN

VICE GOVERNOR SPEAKS ON WINTER CULTIVATION

HK260829 Changsha Hunan Provincial Service in Mandarin 0100 GMT 26 Sep 86

[Text] On 25 September, when formulating plans for this year's winter cultivation, Vice Governor Cao Wenju pointed out: When engaging in production, no matter what kind of production it is, we must change our practice of starting readjusting the agricultural structure in the spring of every year. Whether it be the readjustment of farming industry or the development of animal husbandry and processing industry, we should start it in winter.

Vice Governor Cao said: Our requirements for winter cultivation are not just to increase the output of grain, oil crops, and fertilizer but also to increase the supply of fodder for animal husbandry, as well as raw materials for the food industry. This requires us to cast away the outdated concepts of small-scale agricultural production and guarding against natural disasters in the spring. We should put equal stress on the production of grain, fodder, grain for industrial use, and organic fertilizer. In particular, we should integrate the winter cultivation with the growing of winter grain crops, processing of agricultural and livestock products, and diversified operation. We should plan in an all-round way and engage in coordinated development. This new production arrangement helps promote constant growth of grain production, as well as developing the animal husbandry and processing industry. Under the present circumstances in which the rural areas' productive forces are still at a low level, this is a good road leading tens of thousands of households to attain prosperity at an earlier time.

This year, there emerged in the province prefectures which yielded over 3 million dan of rape, as well as counties which yielded over 800,000 dan of rape. This shows that we have the potential for developing winter cultivation; and should, from now on, greatly develop the growing of rape and wheat, develop demonstration fields in production, and strive for a breakthrough during the 7th 5-Year Plan period.

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CSO: 4007/44

HUNAN

HUNAN HOLDS CONFERENCE ON WATER CONSERVATION WORK

HK301435 Changsha Hunan Provincial Service in Mandarin 1100 GMT 29 Sep 86

[Excerpts] Prefectural administration commissioners, city mayors, and county heads who have just returned from the anti-drought first line met in Changsha on 29 September to decide on the focus of farmland capital construction for this winter and next spring. They said: If we do a good job in tapping the potentials of the existing water conservation facilities, and in security control over reservoirs and flood prevention, it amounts to building six Shaoshan irrigation areas each irrigating 1 million mu of land. Of 12,000 reservoirs in the province, over 3,000 have problems. Of the 237 large and medium-sized reservoirs in the province, over 90 are being used under control, and the water stored reduced by 860 million cubic meters. All this shows that doing coordinated work in tapping the potentials of the existing water conservation facilities and in security control over reservoirs and flood prevention is an urgent matter in the province's water conservation work.

In view of this, the recently held provincial water conservation work conference urged all hilly areas not to start new projects before the completion of their local water conservation projects and to put the focus on reinforcing the existing reservoirs, on removing obstacles in irrigation ditches, on repairing leakages of reservoirs, on closing hillsides to facilitate afforestation, on preventing soil erosion, and on repairing small ponds and dykes. In particular, efforts should be made to solve the problem of potable water for human beings and animals in areas seriously hit by the drought.

To properly carry out water conservation construction, from this winter, the province will institute the labor accumulation system and introduce the method of collecting water charges in farmland irrigation.

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CSO: 4007/44

HUNAN

RADIO VIEWS PROBLEMS IN AGRICULTURAL CHEMICALS

HK030223 Changsha Hunan Provincial Service in Mandarin 2200 GMT 2 Sep 86

[Station Reporter's Commentary: "There is Urgent Need for Improvement in the Sales and Handling Environment of Agricultural Chemicals in Human"]

[Text] On 21 August, this station exposed how a few business units had entrapped the peasants by selling agricultural chemicals that had deteriorated and become useless. The departments concerned attached great importance to this matter. The manager of the provincial agricultural material supply company delivered a radio speech calling for supply companies at all levels to seriously review the current state of agricultural chemicals supply work and solve problems the moment they are discovered.

However, this reporter is not too optimistic that people will mend their ways when their errors are pointed out. This is because the supply and marketing cooperatives, which alone handle the sales of agricultural chemicals throughout the province, are affected by certain difficulties that they cannot overcome themselves, and are still unable to fundamentally prevent a repeat of the appearance of deteriorated and useless agricultural chemicals on the market.

Sources familiar with the sales and handling of agricultural chemicals have stated that the supply and marketing cooperatives bear responsibility when the peasants buy deteriorated and useless agricultural chemicals, but the cooperatives too have many difficulties. At present the agricultural chemicals plants in Hunan are operating without production licences. It therefore is quite common for their products to fail to meet state quality standards. In 1984, the provincial agricultural material supply company bought 500 tons of Rogor and 150 tons of chemicals for treating rice blast. The consignment started to rot after less than 3 months in storage. Although the plant took some of the chemicals back, the replacements it provided were still not up to standard, and the supply company could only sell the chemicals by reducing the price by from 300 to 500 yuan a ton.

The supply and marketing cooperatives lack adaptability in the face of the new chemicals used in agriculture in recent year. Hence the agrotechnical departments often feel that there is nothing they can do in devising new formulas for helping the peasant combat plant diseases and insect pests.

It is said that the agrotechnical departments should not be censured for this. China's current level of agricultural chemicals production is low and only some 40 varieties are produced, of which only 10 or so can be produced in Hunan's plants, and many of those are old varieties that need updating. The agrotechnicians in some places can only introduce new imported chemicals to the peasants and neglect the reality that Hunan is currently seriously short of these new chemicals. The peasants therefore delay in buying China-made chemicals, and this in turn delays the prevention and cure of plant diseases and insect pests. And all the time the agricultural chemicals that the supply and marketing cooperatives and preparing to sell are stockpiled in large quantities in the warehouses. Thus both agricultural and commercial economic losses are caused.

The heavy losses suffered by the supply and marketing cooperatives in selling and handling agricultural chemicals also represent a major factor in the unsatisfactory supply of these chemicals. Hunan is a key grain-producing area in the whole country, and is also a major consumer of agricultural chemicals. According to our information, the province uses about 70,000 to 80,000 tons of these chemicals a year. The busy season for selling these chemicals lasts only 4 months; for the rest of the time, they have to be stored in warehouses. Without reckoning the heavy transport and storage costs, the reserve capital taken up by these stored chemicals is too much for the supply and marketing cooperatives to bear. For instance, at the end of last year, the supply and marketing cooperatives had 52,000 tons of agricultural chemicals in stock for use this year. This was taking up 160 million yuan in capital, on which 19 million yuan had to be paid to the banks in interest. Due to their inability to obtain reasonable financial subsidies, the supply and marketing cooperatives' enthusiasm to handle agricultural chemicals was affected. The reserve stocks in some city and county supply and marketing cooperatives have been reduced this year, and in some places, supply cannot even meet demand. The leading departments have criticized this situation, and the peasants have raised objections. The comrades of the supply and marketing departments feel that they look bad whatever they do.

How can this passive situation be reversed? A number of economists familiar with the situation in sales and handling of agricultural chemicals in Hunan and elsewhere hold that although these chemicals are important materials in agricultural production, the amount used varies from year to year depending on the severity or otherwise of outbreaks of plant diseases and insect pests. In addition, the season for the use of these chemicals is short, while the season for their storage is long, and attention must constantly be paid to guarding against fires, explosions, and pollution. These factors determine that agricultural chemicals differ from other production materials such as chemical fertilizer and fuels. Around the time the chemicals are sold, close cooperation and effective support is required between the producers, the consumer units and individuals, and indeed the government economy. It is regrettable that people have not attached a high degree of attention to this special feature.

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JIANGSU

BRIEFS

LAKE USED FOR HYDROPONIC FARMING--Shanghai, 15 Oct (XINHUA)--Scientists in a research institute here have succeeded in growing crops on large tracts on Taihu, China's third largest fresh-water lake. The method is called "hydroponics" -- planting crops in gravel or other solid material with their roots immersed. The researchers say hydroponics saves organic fertilizer for other uses and requires less effort and lower costs than conventional cultivation. Since 1984, researchers have grown more than 30 types of vegetables, fruits, cereals and spices on the country's first large-scale hydroponics field, on Taihu lake in east China's Jiangsu province. The project has been listed as a key one during the country's current five-year plan. The cost is lower than the hydrotropic greenhouse, one research said, adding that the technique can be easily mastered by peasants. "This method will make it possible to build vegetable fields and orchards in the middle and lower reaches of the Yangtze river, providing an example for other areas of the country," he said. [Text] [Beijing XINHUA in English 1139 GMT 15 Oct 86 OW] /12624

PEANUT AREA, OUTPUT--More than 2 million mu has been planted to peanuts in Jiangsu. Donghai and Ganyu counties, the major peanut producing areas, expect to increase output by about 6,000 tons over last year. [Excerpts] [Nanjing XINHUA RIBAO in Chinese 9 Oct 86 p 1]

CSO: 4007/55

JIANGXI

PIGS SOLD ON MARKETS NATIONWIDE

Nanchang JIANGXI RIBAO in Chinese 21 Aug 86

[Article by Mo Zhengchao [5459 2973 2600]: "Jiangxi Food Departments Actively Open Up Hog Markets Outside the Province, 70 Percent of County and City Companies Have Established Contacts with Other Provinces, 22 County and City Companies in First Half of Year Each Sold More Than 5,000 Hogs Outside Province"

[Text] Conforming with the new situation of deregulated pig production and many channels for circulation and under the premise that the provincial and prefectural markets are stable, Jiangxi's food departments are actively opening up markets outside the province, organizing in large numbers distant purchases and sales, making a contribution to lessening the difficulty peasants have in selling pigs. In the first half of the year, food departments at every level in Jiangxi bought more than 876,000 live pigs, 20.5 percent of Jiangxi's slaughter rate; of these, 277,000 pigs were shipped outside the province, a 109 percent increase over the same period of the previous year. Since July, the amount of pigs being sold outside the province has continued to grow; it is estimated that another 80,000 butcher hogs have entered markets in Guangdong and Fujian.

The sales this year of pigs outside the province have been carried out, firstly, without central planning arrangements, and secondly, without provincial planning guidance. The achievement of such sales illustrates that officials and workers in the food system already have the ability to adapt to an entirely deregulated hog business. At present, 70 percent of the county and city food companies have established hog sale contacts with other provinces and municipalities; in the first half of the year 22 county and city food companies sold more than 5,000 hogs outside the province. Yushan and Yugan county food companies sold more than 20,000 hogs, and there were four county food companies -- Dongxiang, Xinfeng, Shangrao, and Wannian -- which sold more than 10,000 hogs. Many counties and cities have established long-term, fixed professional contacts with business units outside the province. Yingtan General Meat Plant is processing meat products in association with the Shanghai Dahua Meat Products Plant; these products are available in Shanghai, Fuzhou, and other large and medium cities. Of the 14 general meat plants in

Jiangxi, 11 are currently putting emphasis on technical transformation of production and reforming their product mix. These measures will greatly facilitate the sale in other provinces of Jiangxi meat products.

Actively opening up hog markets outside of Jiangxi will both protect the peasants' enthusiasm for raising pigs and revitalize the business of every level of food departments. In the first half of the year, the price paid by food departments in Jiangxi per 100 kg of live hogs was 20.38 yuan higher than in the second quarter of last year, and from 12 to 44 yuan higher than the price paid in the neighboring provinces of Shandong, Jiangsu, Zhejiang, Hunan, and Anhui. But due to the arduous struggle of officials and workers within the system, losses for the first half of the year as compared to the same period last were reduced by 510,000 yuan; at the same time, 7.85 million yuan in taxes and profit were paid to the state. The Wannian county food company bought more than 20,000 hogs in the first half of the year; aside from more than 5,000 hogs sold within the province, more than 3,900 hogs were exported and more than 10,000 hogs were sold elsewhere in China; more than 13,000 yuan in taxes and fees were paid and profits were more than 127,000 yuan; such good economic results are unprecedented.

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NEI MONGGOL

BRIEFS

NEI MONGGOL SUPPLY-MARKETING CO-OPS--The supply and marketing cooperatives throughout Nei Monggol Autonomous Region have succeeded in increasing their capital and business. To date 2.3 million peasants and herdsmen throughout the region have become stockholders in these cooperatives and invested more than 40 million yuan in them. The number of peasants and herdsmen who have become stockholders of these cooperatives accounts for 80 percent of the total population of the rural and pastoral areas. [Summary] [Hohhot Nei Monggol Regional Service in Mandarin 1100 GMT 22 Sep 86 SK] /9599

SOYBEAN EXPORTS--Nei Monggol recently exported 61,111 tons of soybeans to the Soviet Union, surpassing the original plan by 1,111 tons. Nei Monggol will earn about 28,447,000 swiss franc in foreign exchange. [Text] [Zhengzhou ZHONGGUO CHENGXIANG XINXI BAO in Chinese 2 Sep 86 p 1]

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SHAANXI

BRIEFS

TOBACCO AREA, OUTPUT--Estimated output of high and second-grade tobacco on the 500,000 mu sown to tobacco in Shaanxi is expected to exceed 900,000 dan, about a 20 percent increase over last year. [Excerpt] [Xi'an SHAANXI RIBAO in Chinese 9 Oct 86 p 1]

CSO: 4007/55

SHANDONG

LIANG BUTING ON RURAL WORK

SK090315 Jinan DAZHONG RIBAO in Chinese 23 Sep 86 pp 1, 3

[Speech by Liang Buting, secretary of the Shandong Provincial CPC Committee, at the provincial rural economic work forum on 17 September: "Developing the Commodity Economy Is the Focus of Rural Work"]

[Text] Our current forum on rural economic work has proceeded successfully. During the forum, various prefectures, cities, and departments have expressed many good opinions. Through discussions and revision, two documents have been created, which will be printed, distributed, and executed after this forum in the name of the provincial party committee and the provincial government. The forum is about to end, and I would like to put forth some additional opinions on some issues.

1. Developing the Commodity Economy Is the Focus of All the Current Rural Work

The central topic of this forum is to study how to further develop town and township enterprises and enliven the commodity circulation of the rural areas. This topic has been raised in line with the general title of developing the rural commodity economy. Instead of being our subjective assumption, this topic is an objective demand of the current stage of rural economic development.

Since the 3d Plenary Session of the 11th Party Central Committee, we have conscientiously implemented the line, principles, and policies of the party Central Committee, and in a couple of years, a radical change has taken place in the rural situation as a whole. Over the past few years, we have, on the one hand, carried out a series of measures to set wrong things right in the field of politics, thoroughly negated the "Great Cultural Revolution," corrected the "leftist" mistake of "taking class struggle as the key link," and implemented policies toward some categories of the rural people. As a result our situation has been changed from a turbulent one to peaceful one, relations between the various political sectors have been brought into better balance, the initiative of various fields has been mobilized, and a political unity and stability has been formed. On the other hand, we have striven to eliminate the "leftist" influence in the rural economic work, have corrected the erroneous guiding principles of "being large in size and collective in

nature" and "taking grain as the key link," have paid attention to handling affairs in line with the natural and economic laws, have carried out the economic responsibility system with a focus on the family-based contract system, and have delegated autonomy in production and management to peasants. In addition, we have readjusted the industrial structure, raised the prices of agricultural and sideline products, and lightened the burden on peasants so that they can rest and build up their strength. Thanks to the arduous and effective work at this stage, peasants' enthusiasm in production has risen to an unprecedented high level, agricultural production has developed greatly, peasants' problems in food and clothing, which remained unsolved for generations, have been basically solved, and, therefore, our rural economy has changed from a restricted state to a completely new stage.

The new stage of rural economic development has set a new task for us. This new task is to further emancipate and develop the social productive force, raise the commodity rate of products turned out by various trades in the rural areas, vigorously develop the commodity economy, and readjust the relations among the primary, secondary, and tertiary industries of the rural areas in order to promote the comprehensive development of the rural economy as a whole. Economic development is uneven in our province's rural areas. However, generally speaking, most rural areas have begun to enter this new stage. This fact is beyond doubt. Many facts show that after solving their problems in food and clothing, peasants at this stage have set a still higher demand on production, have expanded their management sphere, have witnessed great changes in their consumption structure, and have set new demands on their material and cultural livelihood. After having enough food to eat, they need some money to spend, want to exchange their surplus products with others, and want to transfer their surplus labor force to other trades. Instead of concentrating all of their energy on a couple mu of fields, most peasants have wanted to engage in a still greater job. All those villages which have achieved prosperity before others and whose per-capita income has surpassed 1,000 yuan have taken the path of vigorously developing town and township enterprises and expanding commodity production. The people in these areas neither give up agriculture nor obstinately grasp it. However, the diversified economy has comprehensively been developed in these areas. In general, income from industry accounts for 80 to 90 percent of the total, and the proportion of their agricultural and sideline products marketed reaches about 80 percent. The peasants' livelihood has notably been improved thanks to the fact that economic development has brought about a situation of cultural and educational flourish and technological progress. Thus, we may really see the embryonic form of the new socialist rural areas. We should say that these areas are moving from "being comfortably off" to being fairly well-off. The situation of these areas today will be the tomorrow of the vast rural areas. The paths that they have taken are the only ways for enlivening the rural economy.

The tasks ahead of us at present are to develop the rural commodity economy, to move from a self-sufficient economy of a closed or semi-closed type to market exchange, and to engage in production in line with market demands. These tasks are new for the peasants as well as for cadres at all levels.

Therefore, we must certainly pay tuition fees and temper ourselves in the arduous course of learning to develop the socialist commodity economy. Simultaneously, through tempering ourselves in setbacks and successes, we will be able to enhance our ability and take a leap from the semi-natural economy to the commodity economy. In order to guide and support the peasants to realize this leap, we should consolidate and develop the worker-peasant alliance, protect the enthusiasm of the peasants, and ensure the development of the rural economy and the overall national economy. Leaders at all levels and the persons in charge of organizing social economic life should understand and master the objective law of the shift from the natural economy to the commodity economy which does not go along with the people's will. If they understand, their work will become the impetus for the development of social productive forces. If not, economic and social development will be obstructed.

In order to suit the development of the rural commodity economy, leaders at all levels and departments in charge of rural work should make great improvement in terms of their ideology, work, and workstyle. First of all, they should study the knowledge of commodity economy, enhance their ideas of commodity economy, and firmly foster an idea of focusing on developing the commodity economy. All fronts and departments should focus their work on serving the development of the commodity economy. The rural areas should focus their reform work on serving the development of the commodity economy, advocate and support the affairs favorable to the development of the commodity economy, and resolutely eliminate outdated ideas interfering with the development of the commodity economy. In short, we should regard the development of the commodity economy as a starting point as well as an ending point of the current rural work.

2. Vigorously Developing Rural Secondary and Tertiary Industries Is a Strategic Priority for Vitalizing the Province's Rural Economy During the 7th 5-Year Plan Period

The secondary and tertiary industries in the province's rural areas have entered a new stage of making big strides forward. Of course, development is uneven. Some areas have started the development of secondary and tertiary industries while some areas with good conditions are preparing for taking a leap.

To a very great extent, the development levels of the secondary and tertiary industries in the rural areas reflect the levels in the management of economic work, in the development of the national economy as a whole, in the progress of culture, education, science and technology, and, more important, in the understanding of leading persons of the development of the commodity economy. Township enterprises occupy a decisive strategic position in the national economy. However, not all our comrades understand this point, which is of extreme importance, and the situation in which people do not pay attention to it and take the initiative in doing their work is not uncommon. Therefore, in order to achieve a great development in township enterprises during the 7th 5-Year Plan period, and make a breakthrough in both range and quality, the

first thing to be carried out is to unify and enhance the understanding of leading persons at all levels and of all departments.

We should fully understand that at present township enterprises have become the major pillar of the rural economy, and will surely become an important pillar of the national economy as a whole following the continuous development and improvement of reform. Judged from the situation in the whole province, the development of township enterprises has begun to display its tremendous role in revenues, market arrangements and foreign trade, and in supporting agriculture and absorbing rural surplus laborers. Last year, the profits and taxes handed over by township enterprises throughout the province accounted for one-eighth of the provincial revenues, the commodities provided by them accounted for one-fourth of the total volume sold on markets, their export products accounted for one-eighth of the total value of local export products, and their direct agriculture-oriented funds totaled more than 78 million yuan. Township enterprises also rendered great support to rural construction, and the development of various social undertakings. Over the past few years, about 80 percent of the nearly 1 million laborers diverting from agricultural production every year have entered the secondary or tertiary industries in the rural areas, leaving their farmland but not their hometowns. This shows that the present such thriving situation in our national economy, in particular the rural economy, is sustained by a very important factor--township enterprises. In areas where township enterprise development is rapid and of a high level, people lead a fairly well-off life. It will be easier for a town or township to develop an undertaking if they have several hundred thousand, or million yuan of financial resources. In such a town or township, not only can its economic and social development be made to flourish, but also can its building of the spiritual civilization be promoted, its people be in high spirits, its social order be stable, its cadre-people relations be fairly harmonious, and its party committee and party branches of its villages enjoy fairly high prestige. We may say that its work will be very smooth.

We should also fully understand the important significance of township enterprise development in accomplishing the four modernizations. The party Central Committee has called for building socialism with Chinese characteristics. If we want to have Chinese characteristics, we cannot mechanically copy the patterns of other countries. What are the Chinese characteristics? We cannot define them very clearly because we are still in a stage of continuous exploration and summarization. In my opinion, the party Central Committee has made correct strategic policy decisions on at least two issues. One is the coexistence of various economic sectors, and the other is the integrity of industry and agriculture, and of the urban and rural economies. Comrade Xiaoping summarized that our country has vast territory, abundant resources, and a dense population, but has a poor foundation to start with. Thus, we must truly create roads suitable to our own conditions in the course of socialist modernization. Many countries with different social systems in the world developed industry in many large cities. The malpractices brought about by these countries are more and more serious, and the contradictions in this regard are more and more prominent. We are never allowed to take the same disastrous road of the economically developed

countries now that we are in the period of making great industrial development. The most important outlets for integrating the urban and rural economics are that the cities should guide the rural areas and the rural areas should support the cities to develop and expand the rural economy, and that small towns characterized as small regional political, economic, and cultural centers should be established throughout the rural areas. By so doing, we can solve the problems on jobs arrangements for surplus rural labor forces, urban employment, communications and transport, housing, and narrowing the differences between the urban and rural areas and between workers and peasants. Viewing the current situation in rural economic development, we understand the fact that the economically developed areas truly have presented a scene of prosperity since the establishment of small towns began to take shape, plans have been set up one after another, service facilities and public utilities are under development, and society and nature have taken on a new look. All of this indicates that the development of town and township enterprises occupies an irreplaceably important position in the construction of socialism with Chinese characteristics. So, we must be more farsighted to truly place the development of town and township enterprises in a strategic position.

3. We Must Conduct a Series of Reforms to Serve the Development of the Rural Commodity Economy

We must conduct a series of reforms in order to suit the demands of the development of town and township enterprises and rural commodity production. The reform in service of the development of the rural commodity economy can be called the second-step reform if we link it to the reform carried out in the previous stage. All trades and professions should explore new experiences and ways by smashing the trammels of old principles, tasks, policies, and systems. The speeches delivered by comrades from various cities, prefectures, and provincial-level departments at this forum have characteristics of their own as well as common characteristics. The common characteristics are to implement the guidelines of reform; to bring the development of town and township enterprises in line with their work plans, the scope of service work, and the agenda of the work of leadership; and to regard it as one of the important tasks and attend to it. This is great progress.

We should proceed from reality and different local conditions, and define different guiding principles for different levels while guiding the rural areas to develop the commodity economy. The areas where the town and township enterprises are underdeveloped and lack funds and have a poor foundation to start with should concentrate on developing agriculture, making the most of local natural resources, developing the processing of farms and sideline products, and developing the production of small commodities making good omissions and deficiencies to well serve the large enterprises. This is a "snowball-rolling" method. By so doing, we can accumulate reserve strength for gradual development. By adopting this principle, we do not need many funds, need not buy large equipment, but can make sure to comparatively stabilize the production, supply, and marketing situation, and to score faster results in a short period of time. This is also a road that the areas where

town and township enterprises are well developed have taken. Practice shows that the results from taking this road are good. The areas with considerably developed town and township enterprises, powerful economic strength, and a certain higher technological foundation should pay attention to improving the quality of products, enhancing the management level, and upgrading competitiveness in the course of development. These areas should not adopt a development policy of basing themselves on agriculture, and carrying out crop farming, breeding, and processing alone. Instead, they should also shoulder greater tasks for developing the national economy, take over some planned state projects through bidding, establish a production structure under which crop farming, breeding, and processing are arranged in line with the needs of foreign trade, develop an export-oriented economy, take on the task of earning foreign exchange through exports, march toward domestic and world advanced levels in the same trades, and enter domestic and world markets. All areas, either developed or underdeveloped in commodity production, should pay attention to establishing lateral economic ties and developing key enterprises, and produce highly competitive products.

The principles for township enterprise development in localities of different categories should not be worked out in terms of absolutes or uniformity. This is because in underdeveloped localities, there are good areas and enterprises, and in fairly developed localities, there are also weak units. In making plans and arrangements for township enterprise development of the whole province or a locality, we should consider resources, favorable conditions, and markets and strive to reduce and avoid ill-considered projects. With regard to where a project should be built, or where funds and raw materials should be spent on a priority basis, we should take into account both the returns of the project and the overall social benefit, both "add flowers to the brocade" and "send charcoal in snowy weather," and consider making a balance in all localities on the premise of undertaking the projects with the best results.

Reforms in the various fields in rural areas should be carried out in line with the principles of being resolute, and being brave in making explorations and creating the new, and of being cautious, paying attention to the capacities of local financial departments at various levels and the abilities of enterprises to carry them out, and properly handling the relationship between immediate and long-term interests. With their own characteristics, township enterprises should open up their own ways of development, and refrain from copying some methods adopted by state enterprises in the past, or relying on the state to take the entire responsibility. If not, they will lose vitality. Based on this principle, the "Several Regulations on Further Accelerating Township Enterprise Development" discussed and revised at this forum set forth some policies to relax control in order to enliven the economy within our terms of reference and financial capacity. In brief, the regulations deal with such major issues as the systems of funds, energy resources, raw materials, trained personnel, and processing of farm and sideline products.

Township enterprises should rely on themselves in fund and raw material supplies. With regard to the funds of township enterprises, the "regulations" grant certain preferential treatment in the fields of taxation, credit, pricing, overhaul funds, depreciation funds, and funds for developing new products. Raw materials needed by township enterprises should be mainly regulated by markets. Township enterprises will enjoy the same treatment in material distribution as the collective enterprises run by counties if they produce brand-name, quality, special, new, and export products. This also represents a great support to township enterprises.

At present, a major factor restricting township enterprise development is the shortage of energy resources. Evidently, the installed capacity of the large power plants to be built in our province during the 7th 5-Year Plan period

to the state plan is not small, but it is still difficult for our province to basically eliminate the strained power supply in the next decade or more, or a still longer period. In particular, when township enterprises achieve a great development, it is not likely that large power grids will increase supply to them. The most realistic and effective way to solve the contradiction between power supply and demand is to build small thermal power plants. In this way, we will have more power resources, and township enterprises will be developed more rapidly and with better results. We should regard building small thermal power plants as a strategic issue concerning Shandong's economic development and carry it forward. All the counties, townships, and towns which have enough coal and water resources and funds may develop small-scale thermal power plants, and enterprises may also join efforts to run such plants. In this field, the sooner we understand the importance of and start our work, the sooner we will gain the initiative. It should be taken for granted that, from a long-term point of view, the small-scale thermal power plants consume much energy, yield relatively poor economic results, and thus will finally be replaced by large-scale power plants. However such a situation will not emerge in the current period. Many years from now, whether large-scale power grids have the ability to supply sufficient electricity, the small-scale power plants will, like the "five smalls," not only have played their historical role but also may be rebuilt into thermal plants which will help relieve the shortage of power supply to peasants and solve the problem in the centralized power supply of the rural areas.

The key to invigorating town and township enterprises lies in the issue of competent persons. To develop the commodity economy, market competition is inevitable, and it is unavoidable that such a competition will become increasingly more sharp. Competitiveness depends on quality, quality depends on technology and management, and technology and management depend on competent persons. With a person who has a good grasp of technology and management, we will be able to run a plant well; with a good set of rules and regulations, we will be able to create a new situation; and when we design a new product, we will be able to create a hundredfold, thousandfold, output value and occupy a vast expanse of market. There are many such cases. The more a locality develops its economy, the more it feels the shortage of competent persons. A very important reason for this is because it becomes

aware of the benefits of competent persons. We have seen the fact that town and township enterprises in Ninghai Town of Muping County have developed to a relatively high level. This town now has more than 100 senior engineers, engineers, and assistant engineers. Such a rich technological force cannot be seen in any other town or township in the province. Even with such a rich force, this town still finds its technological force insufficient, and thus, not only tries every possible means to continually import competent persons but also entrusts various universities to train competent persons for it on a commission basis. The town has also invested 1.26 million yuan in running a training center in coordination with Tianjin University. Facts show that training competent persons have already become an urgent task for developing the rural commodity economy, and in particular for running town and township enterprises, and thus must be regarded as a major task. In addition to continually employing local competent persons, we should pay attention to inviting persons with breadth of vision to collect and train competent persons through various means at various levels so that we can discover and train competent persons in a more extensive manner. Our purpose of running various kinds of schools specializing in economy and management and various kinds of secondary technical schools, as stipulated by documents, is to open up a situation in which competent persons will be trained in many fields.

The readjustment and reform of the agricultural and sideline products processing system and structure have already been explained in the "regulations," and thus will not be repeated here.

By the way, I want to address the issue on the leading bodies of towns and townships. First, we should pay attention to the mass structure and the reasonable distribution of competent persons. Second, we should maintain the steadiness of personnel and should not shift personnel as often as if they were on a merry-go-round.

The reform measures, policies, and stipulations defined by this forum have been formed through many investigations and studies after listening to the people's opinions and through initial survey and weighing the advantages and disadvantages. Therefore, they are in agreement with the guidelines of the party Central Committee's decision on reform and with our province's practical condition. The affairs decided by the provincial party committee and the provincial government should be conscientiously implemented by all localities and departments. The problems emerging in the course of implementation should be solved in a proper manner rather than in a perfunctory one.

4. We Should Invigorate Circulation, and Establish a New Market Regulating Mechanism Commensurate With Commodity Economic Development

The present situation in the circulation field is characterized by the fact that it is far from being truly invigorated, by the emergence of many phenomena that should be brought under control or be managed properly, and by the major contradiction of clogged circulation. This also reflects a characteristic in the transition period of economic development. That is, the old systems and patterns are still working, and new systems and patterns have

yet to be formed into a coordinated entity. To sum up, when we are making explorations on reform in the circulation field, and studying the establishment of a new market mechanism, we should break with the old systems of monopolized and fixed-quota purchases, and of monopolized and guaranteed marketing, and master the way to apply the law of value, manage markets successfully, and invigorate circulation.

The fundamental way to do a good job in circulation is to unclog lateral channels, reduce intermediate links, and enable producers and buyers to meet directly. More "expressways" should be built and a "through bus" should be run between enterprises, between cities, between urban and rural areas, between prefectures, and between provinces. This requires the elimination of the old circulation systems once and for all. As far as many things are concerned, we are still used to the method of collecting them from thousands of households and then distributing them to thousands of households. If the systems of monopolized and fixed-quota purchases, and of monopolized and guaranteed marketing were necessary in the historical conditions of the 1950's, the situation has greatly changed now, and the quantity of things have increased. If we follow the old method, we will create obstacles to the development of commodity production. We also called for decontrol over some matters, but actually decontrol has not been exercised, and even old channels and old methods were adopted. As has been proven by facts, enterprises that actively opened up lateral channels and met directly with buyers have achieved very good results. For example, the Zaozhuang Woolen Mill and the Dezhou No 1 Cotton Mill have some successful experiences. Their methods should be supported because they represented the orientation of the reform of circulation. Therefore, before we can effect a large-scale reform of systems, we should at least do more work to develop lateral circulation and reduce intermediate links.

Active explorations should be conducted in order to do a good job in circulation, and establish a fairly stable market regulating mechanism corresponding to development of the rural commodity economy. As far as circulation is concerned, decontrol is the premise, and control should also be exercised simultaneously. Decontrol represents reform, and so does control. Their purposes are to enliven circulation and develop the commodity economy. To relax control in order to enliven circulation, and to expand the regulatory role of markets are a trend of development. Last year, we advocated the "5,000 and 50,000" spirit. The purpose was to encourage people to successfully give play to the market regulatory role. Judged from the present situation, having the "5,000 and 50,000" spirit alone is far from enough. We should advance on this basis, meaning that we should both carry forward the "5,000 and 50,000" spirit and organize and guide market regulation so as to reduce disorder to the minimum. It is inconceivable that every plant, every village, every township, and every town of our province send thousands of people to engage in purchasing and marketing. There are some 760,000 township enterprises throughout the province. If every enterprise sends one person, the total number of people sent will be more than 700,000. This will not only lead to a serious waste and low social benefit but also disorder. For a certain period last year, people rushed to buy rabbit hair, mink, dried sweet

potatoes, and corn. At first glance, this was conducive to the production of raw materials, but from a long-term point of view, it was not good. Fundamentally speaking, the producers' real benefits are from reasonable goods prices and stable markets but not from grasping markets at the last moment. Not only consumers but producers as well will suffer losses if prices are high one moment and low the next or if markets have a surplus of supplies one moment and are in short supply the next. So, the blind, unstable market situation must not last for a long time. We must conduct reform to organize the markets in a planned manner. That is to say, decontrol does not mean noninterference. The construction of a new market regulation mechanism is a great task. We can also say that it is a project involving all of society. So far, we have no mature experiences in this regard. Examining the province's situation, we came to know that there are at least four problems which all localities are studying for a solution. First, they should establish and perfect in a step-by-step manner the mechanism to coordinate and supervise market goods prices in order to prevent major ups and downs of market prices and to gradually form a flexible and reasonable price system which gives consideration to the interests of raw material producers, processing businessmen, and consumers. When any abnormal situation of goods prices and markets emerges, industrial and commercial departments and price departments must not take old paths by rashly adopting administrative means to interfere with market affairs. The associations for safeguarding the interests of producers and consumers should pay attention to giving play to their coordination and supervisory functions. Second, they should gradually set up the mechanism to give timely and accurate feedback of market information to producers in an effort to guide production with information; to ensure that the quantity, quality, prices, designs, and colors of products better afford with the market demands; and to gradually balance the production and marketing channels. Third, they should plan to popularize the contract system and to organize production in line with contracts. "Contracts" are means to develop the commodity economy; links between production, processing, and marketing; and a guarantee for normal circulation. Without contracts, the implementation of the planned commodity economy will contain blind areas and even create problems. Once the contracts are signed, we should conscientiously abide by them and ensure that the production of some farm and sideline products are in line with contracts. Fourth, relevant departments under the jurisdiction of governments should engage in market regulation and correctly apply the economic lever of goods prices, taxation, and credits to the regulation of production, processing, and consumption.

A question is worth noting here. That is, we must not divorce the construction of the market regulation mechanism suitable for the commodity economy from the old channels such as commercial and supply departments and supply and marketing cooperatives. However, we must conduct reforms in this regard. Major channels cannot be closed by themselves, but their closure should be embodied through work. For instance, supply departments have achieved good results in reform since the beginning of last year, and many good models have emerged. Their work achievements resulted from their good market work. They used to serve state enterprises concentratively in line with their plan in the past; but now, they have expanded the targets and scope

of service. They have offered multisided services by expanding their service targets to the entire society, including both planned and unplanned targets, and state, collective, and town and township enterprises. Comrades on supply fronts should regard the work of supporting town and township enterprises as their own duty, and enthusiastically serve these enterprises. I think that supporting town and township enterprises is a manifestation of foresight. Over the past few years, the supply and marketing cooperatives and credit cooperatives have done a great deal of work and have experienced a series of reforms. However, we must affirm that they have scored certain achievements. Viewing the whole situation, the situation of development in particular, the supply and marketing cooperatives and credit cooperatives have not made big strides for reform nor have they explored new ways for reform. Of course, other factors exist as well as some work problems. This problem is not the matter of a certain comrade, but is related to the whole structure. Comrades working for supply and marketing cooperatives and for credit cooperatives should strengthen their sense of urgency in carrying out reform. Instead of carrying out reform of a small scale, various supply and marketing cooperatives and credit cooperatives should adopt hard measures to carry out reform in a fundamental manner. First, they should change them from being run by the government to being run by the people, and join hands with the people to promote the rural economy. Second, by regarding themselves as departments for serving economic organizations at the same level, they should directly link their economic benefits to their service performance. Third, they should successfully implement the economic contracted responsibility system within their units, and closely link duty, rights, and benefits so that the income of every worker and every staff member can truly reflect this managerial efficiency and service quality. With regard to how to carry out reform, the provincial authorities have decided to allow Yantai City to first carry out experiments and then to allow other cities and prefectures to select one of their counties to try out the reform. Comprehensive reform should not be carried out until sufficient experiences are gained. However, this does not mean that those localities which have not been selected to carry out experiments can idly sit by. All localities should carry forward the spirit of reform, do what they can, and reform what they can.

To enliven circulation, we must grasp transport well. Transport is the important means of circulation. To improve transport service, we must first attend to construction and then to management. In particular, it is difficult for the border and remote areas to enliven their circulation if they refuse to improve their transport facilities. Various localities are entertaining high hopes for the reform of various communications departments. Now most localities have asked the province to transfer the provincial-run small ports to pertinent cities, prefectures, and counties for management. The provincial communications department is now working out specific programs for this. When the programs are determined, we must positively put them into effect, and transfer small ports to lower levels as early as possible. In transferring small ports to lower levels, we must do it coordinatedly and thoroughly, rather than retaining some of the power. This will be conducive to the economy and the whole situation. The water transport structure should be reformed, and efforts should also be made to study how to reform the land

transport structure. All in all, in reforming the communications structure, we must pay attention to mobilizing the initiative of lower-level departments in running and managing communications facilities in order to suit the development of the commodity economy and the integration of the urban and rural economies. We should make good accounts of social efficiency, study operational research, attend to linear programming, and try our best to reduce unnecessary intermediate blockages.

5. We Should Continue to Strengthen the Primary Industry in Order to Lay a More Solid Foundation and Provide Greater Momentum for Developing the Rural Commodity Economy

The fundamental position of agriculture in the entire national economy is unshakable. This scientific conclusion has been repeatedly proven by historical experience. Along with the development of modern industry and the rise of the tertiary industry, the portion of agricultural output value in the national economy will become smaller and smaller. This is the expression of economic and social progress. However, the reduction in the proportion of agriculture does not reflect a change in its fundamental position. On the contrary, the position of agriculture should be strengthened continually and its absolute value should be increased steadily. Deviating from agriculture, it will be difficult for us to develop town and township enterprises, to enliven circulation, and to engage in various undertakings. So long as we reap a bumper harvest in agriculture, our life will be better. However, there is a problem in agriculture, all economic departments, the people's livelihood, and social stability will be affected. The fairly great development of our township enterprises and other undertakings over the past few years is directly attributed to vigorous agricultural development. Therefore, we should both "stress industry" and "develop agriculture." Comrade Xiaoping said at it will take more than 3 or 5 years to rectify a detour in agriculture. After the 3d Plenary Session of the 11th Party Central Committee, agriculture of our province took the lead in reform, and the achievements were indeed significant. However, this does not mean that there are no problems in agriculture, which is the foundation, agricultural production has its own special characteristics, and is restricted more by natural conditions. Moreover, the returns of agricultural input are limited, the interests of agriculture is comparatively lower than other industries, and therefore agriculture is apt to be left out in the cold. This decides its instability. We should exert great efforts to strengthen it.

First, we should continuously change conditions for agricultural production. Since 1980, investment in agriculture, in water conservation projects in particular, has declined every year. Because of this decline, which should not have occurred, not only did we fail to undertake new large-scale water conservation projects, but also the existing facilities became seriously out of repair, posing a great latent danger. As the central authorities are determined to increase agricultural investment, the province and various localities should also adopt every possible means to allocate more money to improve agricultural capital construction through various channels. At the same time, attention should be paid to labor accumulation. We should

encourage and organize peasants to throw more labor into the land, and repair and build some small and medium-sized projects to transform mountains and tame rivers. Counties as well as townships, towns, and villages should proceed from reality and adopt measures to support agricultural development. Paying attention to agricultural development, we should adopt encouraging and supportive policies to lead and mobilize peasants to develop barren hills and waste beaches and water areas. We should also value land. Excessive and arbitrary occupation of farmland has been rather serious over the past few years. If this goes unchecked for a long time, the consequences will be too ghastly to contemplate. Of course, it is impossible to develop various undertakings without occupying any farmland. The key is to strictly enforce the "land law" issued by the state, and that land management departments at all levels should examine and approve farmland utilization strictly to ensure rational use.

Second, we should continue to readjust the rural production setup. Readjustment should be seen as dynamic, that is, readjustment of production setup should be carried out continuously. Readjustment should be oriented to market changes, and an economic structure should be established in which agriculture serves the processing industry and the processing industry serves trade and commerce. No matter how we readjust, we must not neglect grain production because it is the foundation of the foundation. As demanded by the central authorities, our province should achieve self-sufficiency in grain production, neither allocating to outside the province nor asking for distribution by the central authorities. It is not easy to attain this standard, and great efforts should be made. The general principle is to stabilize grain acreage, raise per mu yields, and increase output. Emphasis should be placed on wide application of fine strains, irrigation, application of fertilizer, scientific farming, reform of the farming system, and increase in the multiple crop index.

In addition, there is the question of implementing the "spark plan." The proposal for implementing the "spark plan" in the countryside made by the State Scientific and Technological Commission was a great pioneering work to turn science and technology into actual productive forces. The implementation of the "spark plan" will have a far-reaching impact on overall rural economic development. All localities and relevant departments should pay close attention to this and organize forces to implement the items set forth in the plan.

Third, we should perfect the rural responsibility system and implement the rural economic policies well. In doing the work in this regard, we should pay attention to several trends. Some cadres and peasants have a misunderstanding of and express anxiety over the perfection of the responsibility system which is advocated at present. They think that this advocacy is also a call to do something in a massive manner. A situation emerged in some localities in which some contractors gratuitously handed over to the villages their fixed assets worth more than a hundred thousand yuan or several hundred thousand yuan which had been added through development after signing the contracts; and the villages accepted these fixed assets. We must correct these practices

since they do not afford with the party's policies. We say that our purpose in developing a cooperative economy is to do our best to combine the various sectors of production, to upgrade productive forces, and to develop the commodity economy. The development of the cooperative economy is different from the practice of organizing cooperatives and the premature transition regardless of poverty which were advocated in the past. Therefore, we should concentrate the perfection of the cooperative system on perfecting the service before, during, and after production on the basis of not changing the basic form of the family-based contract system. We should respect the will of the masses, make the best use of the situation, pay attention to the progress of the work, and stress real results. Instead of stressing a fixed pattern, flexibilities are allowed in carrying out the work.

While developing industry to make up for agricultural losses, we should proceed from reality, seek truth from facts, act according to our ability, and pay special attention to stopping the practices of arbitrarily apportioning expenses from the enterprises and retaining a large portion of the profits to increase the enterprises' burden. Such practices of making up excuses to ask for money from the individually owned industrial and commercial households and the enterprises jointly run by several households after they have delivered the portion of their produce to the higher levels are unreasonable. We must prohibit these practices.

We must also perfect the contract system. We must neither easily change nor tear up halfway the contracts, such as land, forestry and fruit, small water conservation projects, large farm machinery, and grain purchasing contracts. When the contracts must be readjusted, we should make complete consultations, give consideration to the interests of both sides, and handle affairs according to the law. Since many problems in this regard have been reflected one after another and the situation in this regard is very complicated, all localities must regard these problems related to contracts as matters of policy importance, earnestly and conscientiously treat them, and timely and properly handle them according to the contract law and the regulations set forth in relevant policies.

Since the rural work with substantial content is an organic integrated entity involving many fronts, leaders at all levels must "play the piano" well, make overall plans and take all factors into consideration, and guard against the tendency of attending to one thing and losing sight of another. What I have said above concentrates on the material civilization because this is a rural economic work forum. The general demand for the socialist spiritual civilization is also to serve the development of the commodity economy. Only when we make a unified plan for our work and create a relaxed, harmonious social environment can we certainly be able to promote a rapid development of the rural commodity economy.

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SHANDONG

WHEAT PRODUCTION ENCOURAGED

Jinan NONGYE ZHISHI [AGRICULTURAL KNOWLEDGE] in Chinese No 17 5 Sep 86

[Article by Zheng Shoulong [6774 1343 7893], Vice Director of the Shandong Department of Agriculture: "Vigorously Expand Wheat Production, Ensure Steady Growth in Grain Production"]

[Text] Wheat is a crop with high, reliable yields; vigorously developing grain production is of extreme importance in stabilizing steady increases in Shandong's grain production. In 1972 Shandong's total wheat output exceeded 10 billion jin and total grain output exceeded 30 billion jin; in 1983 total wheat output exceeded 20 billion jin and total grain output exceeded 50 billion jin; in 1985 the total output of wheat was close to 30 billion jin and total grain production reached a new level of more than 60 billion jin. This year, due to the correct leadership of the provincial Central Committee and provincial government, wheat production has again attained a bumper harvest, with total production at 31,278,000,000 jin. In order to continue to develop wheat production, from now on we should put special emphasis on the following areas of responsibility.

1. Primarily Stress Per-unit Yields, Increase Total Yields. In this fall's planting, the province as a whole should keep the area steady at 70 million mu, focussing our energy on raising per-unit yields. In order to assure such large wheat field acreage as well as increasing per-unit yields, it is necessary to: 1) do a good job of interplanting wheat and other crops, leaving rows for interplanting and mastering the cultivation management techniques for interplanting, striving to achieve two bumper harvests of wheat and other crops. 2) Vigorously promote dry-land crops agriculture, making use of coordinated dry-land crop technology in soil preparation, fertilizer application, varieties, and management; in arid fields with a thick soil layer, plant wheat, so that medium or even high levels of production can be achieved. 3) Properly plant the late wheat crop. In the past two years, there have been about 15 million mu of late wheat in Shandong; due to improved varieties and breakthroughs in cultivation and management, per-unit yields have been more than 400 jin. Therefore, the emphasis this year on properly planting the late wheat crop is an important measure in stabilizing acreage and increasing per-unit yields.

2. Increase Material Inputs. During the Sixth 5-Year Plan, soil surveys were conducted throughout Shandong, so we are clear about the situation. Every city and prefecture should be sure to use these technical results so that fertilizer is applied in the proper ratios. At present, per-unit wheat yields in Shandong are mostly about 450-500 jin. still medium-level output; the primary measure to improve wheat yields is reliance on increased material inputs, and the main way to properly apply mixed fertilizers is to increase the amount of fertilizer applied and improve the level of fertilizer application.

In increasing material inputs, we should pay attention to the following points: 1) Based on soil survey results or on chemical testing of local soils, each city and prefecture should make reasonable increases in nitrogen, phosphate, potassium, and trace element fertilizers for soils which lack these nutrients. In particular, the desired increases in quantity should be determined by soil fertility conditions and the desired level of production. 2) We should pay great attention to using trace element fertilizers. Both banks of the Huang He and Shandong's shajiang black soil generally lack zinc. Applying 2 jin of zinc fertilizer for each mu can yield relatively large increases in output. 3) The organic content of the soil is an important indicator in determining soil fertility. Therefore, we should pay attention to improving soil fertility, making sure that every year we increase the applications of mud fertilizer and zinc fertilizer and return straw to the soil. 4) With regard to wheat, in increasing the amount of fertilizer we should put emphasis on increasing the amount of base fertilizer. In 1986, Pingdu County in Shandong had 1.17 million mu of wheat; the average applications per mu were 5000 jin of mud fertilizer, 90 jin of chemical fertilizer, and 80 jin of phosphate fertilizer; potassium fertilizer was applied to 810,000 mu and zinc fertilizer to 720,000 mu; the per-unit yield of wheat was 694 jin, for a total output of 810 million jin. For many years Jining city has persistently returned straw to the soil, increasing the organic content of the soil and fully reaping the benefits of increased applications of chemical fertilizer. In 1986, the per-unit yield in the city was 612 jin, the highest per-unit yield for any city in Shandong. 5) Stress the maintenance and linking together of farmland water conservancy projects, promote Zhucheng County's experience with "centralized irrigation," and strive to expand the irrigated wheat acreage. In addition, we should increase the area mechanically tilled and planted; this is the crucial step for the timely completion of this year's fall planting and the improvement of per-unit yields.

3. Provide Leadership for Different Categories, Raise the Level of Scientific Cultivation. The vast expanses of land in Shandong contain a complex variety of soil types. Large numbers of ordinary people and technical officials have arrived at many coordinated technology models and cultivation methods designed for differing soils, climates, and forms of cultivation; for example, developing wheat in medium- and low-yielding fields, cultivation techniques for wheat as a dry-land crop, cultivation techniques for intensive planting and high yields, cultivation techniques for bountiful production of the late wheat crop, expand the area of mechanized tillage and planting and earth and plastic sheet mulches. For this year's fall planting, we should make a great effort to use various forms of education classes, technical lectures, and

printing and distribution of "certificates of understanding" to accelerate the widespread promotion of these techniques; when they have been mastered by the masses, they will serve to increase production.

4. Properly Distribute Varieties, Overcome "Too Many, Too Unsystematic, and Too Impure." Improved varieties are an important factor in increasing production. Every locality in Shandong attaches great importance to widespread promotion of improved varieties. Improved varieties of wheat account for more than 90 percent of the acreage, and are of great importance in increasing wheat yields. At present, deserving special attention are: proper distribution of wheat varieties and distinguishing among varieties requiring high levels of fertilizer and water, drought-resistant and -tolerant varieties, early maturing varieties, and late planting varieties, so that variety distribution among various systems is reasonable. New varieties examined, approved, and certified in recent years, such as Lumai No 7, Lumai No 1, Lumai No 8, and Jinmai No 21, should be promoted more rapidly so that they can take effect as soon as possible. We should continue to plant excellent varieties already in use, such as Ji'nan 13 and Changle No 5. We should pay special attention to improving variety purity, striving to overcome the problem of varieties being too many, too unsystematic, and too impure. We should also make sure to not arbitrarily and unsystematically bring in different varieties, frequently changing them, such that in a given area no main variety can be found. Those varieties which have a low level of purity and contain a serious level of impurities cannot be used as seed unless they are cleaned. In order to avoid bringing losses to the masses, varieties which have not undergone experimental and demonstration planting and approval by the province should not be brought in without consideration.

The responsibilities for this fall's planting are many and heavy; we now must stress all aspects of preparatory work. The fall planting plans, preparation of supplies, technical education, distribution of improved varieties, and maintenance of agricultural machines and tools should be accomplished ahead of schedule. Every level of agricultural departments should learn well the models, be good advisers to party committees and the government, vigorously develop wheat production, and ensure steady growth of grain production in Shandong.

12919
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SHANDONG

UN-AIDED SHANDONG AFFORESTATION SCHEME SUCCESS

OW271144 Beijing XINHUA in English 1119 GMT 27 Sep 86

[Text] Jinan, 27 Sep (XINHUA)--Forests are flourishing on the old course of the Yellow River in east China's Shandong Province as the first phase of a UN-aided afforestation project was completed.

The project, first begun in the end of 1982 in Shenxian and Guanxian counties, covers a total of 5,250 hectares of arid and sandy soil and protects 20,000 hectares of farmland from wind erosion.

As a result of the forest shield and the improvement of farming technology, grain output per unit has rose 10 percent each year, according to a local official. Grain crops planted between the trees alone brought about a total of 5.95 million yuan for the local peasants between 1983 and 1985, or 260 yuan for each family.

The 165-kilometer dry river bed dates back 2,000 years, cuts across five counties and cities in the western part of the province, and covers a total area of 34,400 hectares.

Wind erosion of sand and dust would often bury the crops and reduce grain output 1.5 tons per hectare, making the area one of the poorest in the province.

In November of 1982 the Chinese Government and the UN World Food Program signed an agreement to start the afforestation project, the official said.

Between December 1982 and July 1985, the UN program supplied wheat, edible oil and other goods worth U.S. \$3.8 million while the Chinese Government invested 7 million yuan (U.S. \$1.9 million).

More than 46,000 local residents planted poplar, paulownia, and locust trees on 5,250 hectares and drilled 520 wells to complete phase-one of the afforestation.

Last December the second phase of the project involving afforestation of an additional 6,500 hectares started, the official said. Upon its completion in 1989, about one-third of the arid area will be covered with foliage.

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SHANGHAI

EXPORT-ORIENTED AGRICULTURE ENCOURAGED

Shanghai SHANGHAI JINGJI [SHANGHAI'S ECONOMY] in Chinese No 3, 31 May 86 pp 3-6

[Article by Feng Shuchun [6646 2885 2504], Director, Shanghai Municipal Agriculture Committee: "The First Step In Developing Foreign-Exchange-Earning Agriculture Is To Bring Shanghai's Rural Production To New Levels Of High Quality And High Standards"]

[Text] Since the 3rd Plenum of the 11th CPC Central Committee, the first step of reform for Shanghai's villages was the implementation of the output-related contract responsibility system, by which these villages were able to overcome the production defect of "just making noise" and the distribution defect of the "big rice pot". They also exercised unified management which is a superior feature of the collective economy and gradually combined centralized management with localized management. This is a two-level cooperative management system that is characteristic of China. At present, the second step of reform is just getting underway. The main objectives of this step are to change the system of unified and assigned agricultural procurement and to adjust the production structure of the rural areas.

How should Shanghai's rural production be restructured? The central government calls for "the development of export bases in coastal and other feasible areas for the production of new agricultural products, special products, and small commodities that will be produced by township and town enterprises in order to develop agriculture which will earn foreign exchange. The first step is to bring rural production to new levels of high quality and high standards." The central government's request shows us clearly the direction of progress; we certainly must vigorously develop foreign exchange-earning agriculture, in order to prepare for the first step of bringing Shanghai's rural production to new levels of high quality and high standards.

Favorable Conditions for Developing Foreign Exchange-Earning Agriculture in Shanghai's Villages

Shanghai's villages are singularly blessed with excellent weather and soil for the development of foreign-exchange-earning agriculture; they have a variety of favorable conditions and broad prospects for development.

1. Quite Good Foundation in Exporting and Earning Foreign Exchange

Shanghai's villages currently have 616 units specializing in producing products for foreign export; there are more than 370 types of products. Among these are 7 main categories and almost 70 varieties of exported agricultural products, by-products, and goods processed from them. Many agricultural products have a fairly good foundation in exporting and earning foreign exchange. For example, Xiaohu sheep skins have been exported for 100 years; last year, more than 100,000 Xiaohu sheep skins and goat and mink skins were exported. Garlic has been exported from Jiading County for 70 years; last year exports were as high as 11,152 tons. Tacai and other fresh vegetables have also been exported for 60 years; last year more than 800 tons of fresh vegetables were exported, including more than 100 tons of wild rice stem from Liantang Township in Qingpu County. Shanghai's villages also have a fairly good foundation for producing and exporting edible fungi, possessing China's only research institute specializing in edible fungi; last year they exported 3,715 tons of mushroom packed in salt water, dried mushroom slices, straw mushroom packed in salt water, ping mushroom packed in salt water, dried xianggu mushroom, houtou mushroom, etc.

2. Excellent Geographical Environment

Shanghai's villages are right beside China's largest port, the Shanghai port, and the international airport, making transport for foreign trade convenient and quick, especially to Japan, which is only separated from Shanghai by a body of water. Compared with the interior, which in developing foreign trade must contend with the time lag and distance lag, Shanghai has the advantage. This is extremely favorable to the export of agricultural products and by-products; it is particularly favorable to the export of living and quick-frozen agricultural products and by-products to Japan. Last year Japan imported \$5 billion worth of local and animal products, but only 10 percent of these came from China. Shanghai's villages not only have favorable conditions for the export of local and animal products to Japan, there are also broad prospects for future development.

3. Abundant Natural Resources

Most of the areas in which Shanghai's villages are located have been dry land for 4,000 to 5,000 years. Positioned on the northern edge of the subtropics, facing the sea and the Chang Jiang, the area has fertile soil and abundant rainfall, making it suited to the growth of many crops. In addition, the port was opened quite early, numerous good domestic and foreign varieties are at home here, and there are more than 100 varieties of famous, local, and special agricultural products and by-products. At present there are 80 types of vegetables, more than anywhere else in the world. Shanghai also has 463 km of coastline and 900,000 mu of beaches, which are bountiful resources for earning foreign exchange. Zhelin Township in Fengxian County has enclosed 5,000 mu of tideland to raise prawns. Last year they exported 400 tons of prawns, earning \$2 million in foreign exchange. Last winter and this spring they have enclosed another 2,300 mu of tideland to develop the raising of prawns; there is good hope for further growth in the development of prawn raising and in prawn exports.

4. Business Advantage

Shanghai has a rather long history of foreign trade, the necessary institutions are all there, information is readily available, there is abundant experience, it has a good reputation, and around the world there more than 10,000 frequently contacted customers. Food import-export companies, which have intimate ties with agriculture, have trade contacts with 74 countries, and there are 768 frequently contacted customers. Of foreign trade export products produced in Shanghai's villages, 82.6 percent are directly connected with foreign trade units. Shanghai's villages have also joined with various foreign trade companies to form more than 40 enterprises jointly run by the villages and foreign trade companies, which is of even greater benefit to the foreign trade and export of Shanghai rural products.

5. Vigorous Support from Large Industry and Abundant S & T Forces in the City
Shanghai's villages have support from industry and S & T forces in Shanghai, China's largest city, which is of great advantage in developing foreign exchange-earning agriculture. Shanghai currently has 7 large-scale food processing enterprises, 11 vegetable dehydration processing plants, and 2 quick-frozen vegetable plants. In order to develop the export of agricultural products, by-products, and goods processed from them, Zhelin Township in Fengxian County and Malu Township in Jiading County, with the support of large industry and S & T forces in the city, have imported technology and equipment and are currently setting up new quick-frozen enterprises. Exports last year from Shanghai's villages of unprocessed and processed products in the food category reached more than \$80 million; this would have been impossible without the assistance of urban industry and S & T forces. This is also the economic and technical advantage that the suburbs of Shanghai have in developing foreign-exchange-earning agriculture.

Initial Success in the Development of Foreign Exchange-Earning Agriculture and the Effect It is Having

In the past few years, foreign-exchange-earning agriculture in Shanghai's villages has been continually growing in the midst of reform. In 1985, ten of Shanghai's suburban counties produced export products worth a total of 1,651,000,000 yuan, a 460 percent increase over the 293 million yuan in 1978, before the 3rd Plenum of the 11th Central Committee. In the supply of goods for Shanghai's foreign trade and export products, the proportion of supplies provided by the suburbs is ever increasing; in 1978 it was 5.9 percent; in 1980, 9.6 percent; by 1985 it had reached 19.3 percent. Of the foreign trade and export goods produced last year in the suburbs, agricultural products and by-products were worth 277 million yuan, 200 percent growth over 1978. Adding on 91 million yuan for processed goods from agriculture sideline industry and 152 million yuan for drawnwork, embroidery, and other craft items, the total is 520 million yuan. Other types of rural export products are clothing, toys, hardware, and other small commodities. Of these, clothing, textiles, and knit goods were worth 554 million yuan, and toys and hardware were worth 111 million yuan. These export products were supplied by township and town enterprises. Therefore, for Shanghai's villages to develop foreign exchange-earning agriculture, they must attach great importance to exporting

agricultural products, by-products, and goods processed from them, and they must be sure not to neglect the production by township and town enterprises of foreign-exchange-earning export products.

The development of foreign-exchange-earning agriculture is playing an ever increasing role in the stable development of Shanghai's agriculture, reviving the economy of the suburbs, and advancing the modernization of agriculture.

1. Improve the Comprehensive Economic Results of Agriculture, Take Fundamental Measures to Prevent Decline of Agriculture

The development of foreign-exchange-earning agriculture in itself has rather high economic results, but it also promotes the integration of crop production, animal husbandry, and processing, raising the comprehensive economic results of agriculture. Although in one year Shanghai only exports over 40,000 tons of vegetables and salted, dehydrated, quick-frozen, and canned vegetables, this can earn \$30 million; the comprehensive economic results are very high. According to a survey in Xinqiao Township in Songjiang County, the peasant's net income from raising each chicken was originally 0.8 to 1 yuan. Due to the growth of processing and exports, the township meat and food plant recovers a profit of 0.32 yuan per chicken for the chicken-raising units, raising the net income for chicken farmers by more than one-third. In this way, the agricultural economic results can be improved, fundamentally raising the enthusiasm for engaging in agriculture and promoting the stable growth of agriculture.

2. Accelerate the Technical Transformation of Agriculture, Promote Specialized, Commodity-Oriented, and Modernized Agriculture

Developing foreign exchange-earning agriculture with the goal of selling products on the international market requires technical innovation and improved product quality, as well as active importing of new varieties, new technology, and new equipment; this will then benefit the acceleration of agriculture's technical transformation and the promotion of specialized, commodity-oriented, and modernized agriculture. Take for example the Great River Company Ltd, a joint venture of Songjiang County and the Zhengda Group of Thailand: due to the importation of good broiler varieties and advanced feed formula processing technology, and the implementation of specialized, commodity-oriented, and modernized production, they have raised the quality of the chicken meat, shortened the breeding cycle, and reduced the proportion of feed to meat output, thereby having an important effect on the variety improvement and technical transformation of the suburban chicken industry.

3. Developing Foreign Exchange-Earning Agriculture and Exporting More Promotes the Importation of New Technology and New Equipment for Agriculture

The key to implementing opening to the outside world and making greater use of foreign capital and imported technology is increasing exports and earning more foreign exchange. Exports are the basis for imports; without exports, there can be no imports; imports benefit further exports. In the past few years, Shanghai's villages have imported several dozen new products, new techniques, and new equipment, such as new varieties of farm animals, quick-freezing

equipment, dairy processing equipment, and Western suit and light bulb production assembly lines; all of these are inseparable from the development of foreign-exchange-earning agriculture.

4. Promote the Conversion of the Suburban Economy from Domestic-Orientation to Export-Orientation

In 1985, Shanghai's villages produced 1,651,000,000 yuan worth of export products, accounting for 10.5 percent of the gross value of all industrial and agricultural output in the suburbs. In some townships, export goods account for roughly 30 percent of the gross output value. Malu Township in Jiading County has 18 products which have entered the international market; the total value of the exported goods is more than 30 million yuan. Last year the Jiangzhen Silk Clothing Factory in Chuansha County and the White Crane Clothing Factory in Qingpu County each earned more than \$10 million in foreign exchange. The development of foreign-exchange-earning agriculture helps both the further restructuring of production in Shanghai's villages in accordance with the needs of the domestic and foreign markets, and the accelerated re-orientation of the suburban economy towards export markets.

5. Developing Foreign Exchange-Earning Agriculture Benefits "Importing from Abroad and Cooperation with Units in the Interior," Promotes Diffusion and Transfer of Advanced Technology into Interior

"Importing from abroad and cooperation with units in the interior" is the expectation and demand of the central government toward the economic open areas along the coast, as well as being an important task in the development of foreign-exchange-earning agriculture. In the process of developing foreign exchange-earning agriculture, the suburbs are now building or are preparing to build four agricultural sideline industry bases which will "import from abroad and cooperate with units in the interior": the first is the Chinese-Thai joint venture mentioned above, the Great River Company Ltd., which deals in broiler feed, raising broilers, processing, and export; the second is the Chinese-American jointly-funded enterprise which grows, processes, and exports sweet corn; the third is the Chinese-Belgian joint venture which deals in lean swine feed, swine-raising, processing, and export; the fourth is the Chinese-Japanese joint venture which produces, processes, and exports vegetables. These Chinese-foreign joint ventures have already imported and are preparing to import new varieties and new technology; after being digested and absorbed, they will be broadly diffused and transferred to the interior. At present the suburbs have approved the setting up of 30 Chinese-foreign joint and cooperative ventures and 22 compensation trade deals; these will play an important role in "importing from abroad and cooperation with units in the interior."

Several Problems Which Must Be Solved In Order To Accelerate Development of Foreign Exchange-Earning Agriculture

In order to accelerate the development of foreign-exchange-earning agriculture in Shanghai's suburbs, we must further resolve the following problems:

1. Correctly Handle the Relationship Between the "Two Reliances" and the Development of Foreign Exchange-Earning Agriculture

The municipal party committee was entirely correct in stating the guiding ideology that "peasants in the suburbs should rely on themselves to provide their grain ration, the city should rely on the suburbs for supply of the main nonstaple foodstuffs"; this ideology is derived from the actual situation in Shanghai. At the same time, the municipal party committee also emphasized that, based on the stability of the two points of reliance, we should actively develop foreign trade and exports. For this reason, we cannot regard "two points of reliance" as conflicting with the development of foreign exchange-earning agriculture. "Two points of reliance" is not self-sufficiency, and developing foreign-exchange-earning agriculture is not a denial of serving the city; we cannot talk in vague terms about "foreign trade being subordinate to domestic trade" or "domestic trade being subordinate to foreign trade"; the key is to pay attention to the links between the domestic and foreign trade markets and to make appropriate arrangements for the Shanghai market. As Shanghai develops complete openness to the rest of China and the outside world, the suburbs should, on the basis of persisting to serve the city, sell agricultural products on the international market as much as possible, gaining more exports and earning more foreign exchange; on the other hand, they should actively attract interior agricultural products into the Shanghai market. From now on, agricultural products from Shanghai's suburbs should succeed by virtue of quality. Developing foreign-exchange-earning agriculture can foster the rapid improvement of product quality. Thus this also is in accord with the development strategy for Shanghai's agriculture.

2. Through Overall Planning, Gradually Establish and Develop Foreign Trade Export Bases Which Integrate "Crop Production, Animal Husbandry, and Processing" and "Foreign Trade, Processing, and Agriculture"

At present, foreign trade and exports primarily take four forms in Shanghai's suburbs: the first is agricultural-trade linkage - foreign trade departments set up offices in suburban counties to organize the production of export products; the second is agricultural-trade joint operations - agricultural and foreign trade departments jointly run enterprises; the third is indirect export, providing to city food plants the raw materials for export food products; the fourth is Chinese-foreign joint cooperative ventures and compensation trade. From now on, while we are continuing to use a variety of methods to develop foreign-exchange-earning agriculture, we should focus on exporting staple commodities and, systematically and step by step, establish foreign trade and export bases which integrate crop production, animal husbandry, and processing and bring together foreign trade, processing, and agriculture, in order to benefit overall arrangements for trade in domestic and foreign markets and to help improve the results of scale and the comprehensive economic results in agriculture. According to initial testing in Qingpu County, the feathers from one duck are worth 0.80 yuan as raw material; after limited processing they are worth 1.60 yuan, and after multiple processing, 3.20 yuan; if further processed into down clothing, the value can

still double. Increasing value through processing is one of the essential roads to follow in agricultural development. The current situation with regard to exports of agricultural products from the suburbs is that areas with relatively good foundations in 10 varieties of products, such as vegetables, edible fungi, meat products, garlic, rabbit hair, and down, are to varying degrees implementing the integration of "crop production, animal husbandry, and processing" and the bringing together of "foreign trade, processing, and agriculture." From now on, every county and township should take advantage of its local strengths and gradually establish a number of foreign trade and export bases which, on varying scales, with a variety of forms, and each having its own characteristics, will integrate "crop production, animal husbandry, and processing" and bring together "foreign trade, processing, and agriculture."

3. Depend on S & T for Progress, Increase Capital Construction for Foreign Exchange-Earning Agriculture

Depending on S & T is crucial to the further development of the rural economy and is even more crucial to the development of foreign exchange-earning agriculture. Comrade [Deng] Xiaoping has stated: whether or not exports can be increased essentially depends on, firstly, products being "new," secondly, on quality being "high," and thirdly, on the price being "low." For all of these we must rely on S & T progress. Otherwise, it will be difficult for products to break into the international market: even if products are exported, if the foreign exchange earned is too little, it is not worth the effort; traditional export products may also fail in competition. Therefore, scientific research departments should take careful aim at the international market and, by relying on progress in S & T, actively help agriculture raise the quality of export goods; they should also research and develop famous, special, new, rare, excellent, and unusual good varieties with which to enter the international market. At the same time, we should depend on progress in S & T to increase capital construction in foreign-exchange-earning agriculture. For example, in developing exports of prawns and river crabs, the key problem is the lack of prawn and crab larvae. The solution is to establish bases for the artificial breeding of prawn and crab larvae. It has already been decided to invest more than 6 million yuan in building such a base; the possible annual output would be 100 million prawn larvae and 500 kg of crab larvae; this would replace the need for 10,000 mu of prawn breeding grounds and 50 percent of the water area in all the suburbs for raising crab larvae. The principal problem currently affecting large-scale exports of flowers is that of quality; it is thus necessary to build modernized greenhouses in which the temperature, light, water, and air can be controlled, so that we can meet the quality and time requirements of the international flower market. Relying on progress in S & T and increasing capital construction: this is the major problem requiring urgent solution in order to develop foreign-exchange-earning agriculture.

4. Formulate Preferential Policies, Encourage and Support the Development of Foreign Exchange-Earning Agriculture

Generally speaking, in developing foreign-exchange-earning agriculture, the investment is quite large and recovery period is quite long. For example,

building modernized greenhouses and setting up quick-frozen vegetable plants both require enormous investments and also need more than 10 years before the investment can be recovered. It is therefore necessary to formulate preferential policies and muster support from every quarter. Financial and monetary departments should give to capital construction for foreign exchange-earning agriculture certain economic subsidies and loans with no interest, low interest, or subsidized interest; tax departments should reduce or cancel the taxes on enterprises processing and exporting agricultural products; materials departments should supply at preferential and favorable terms goods needed to develop foreign-exchange-earning agriculture; foreign trade departments should allow units which produce export products or which provide supplies for export goods, regardless of whether they directly or indirectly export, to keep a certain amount of foreign exchange; in addition, units which do a good job of exporting and earning foreign exchange should receive special prizes to encourage them to export more and earn more foreign exchange.

5. Reform the Foreign Trade System, Further Strengthen the Ties and Cooperation Between Agriculture and Trade

In the process of developing foreign-exchange-earning agriculture in the suburbs, foreign trade departments are playing an active role. But sometimes there still is not sufficient contact. Agricultural departments do not have a sufficient grasp of international market information, influencing to a certain extent the development of foreign-exchange-earning agriculture. In order to solve this problem, foreign trade departments and agricultural departments should, on the one hand, jointly set up a small but efficient organization which through close cooperation will strengthen the collection, study, processing, transmission, and feedback of foreign trade information, in order to promptly organize and guide the production of export products. On the other hand, they should continue to actively develop enterprises jointly run by trade and agriculture, fully making use of the initiative in both agricultural and foreign trade departments. At the same time, on the basis of further perfection of the price system, foreign trade departments should gradually implement a system of representation, enabling the interests of foreign trade departments and units producing export goods to be brought even closer together, thereby promoting the ability of foreign-exchange-earning agriculture to develop at a faster rate.

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CSO:4007/16

SHANGHAI

BRIEFS

RURAL SAVINGS--Based on statistics of the Shanghai Branch of the Agricultural Bank, in the first 8 months of the year saving deposits in Shanghai's suburban districts increased 770 million yuan. As of the end of August, total deposits were 2,331,690,000 yuan, and per capita savings were 449 yuan. [Excerpts] [Zhengzhou ZHONGGUO CHENGXIANG XINXI BAO in Chinese 28 Sep 86 p 1]

CSO: 4007/50

SHANXI

BRIEFS

RURAL SAVINGS--As of the end of August, rural savings in Shanxi amounted to 3,079,880,000 yuan, a net increase of 490,630,000 yuan since the beginning of the year. Per capita savings were 147.43 yuan, a net increase of 33.48 yuan over the beginning of the year. [Text] [Taiyuan SHANXI NONGMIN in Chinese 2 Oct 86 p 1]

CSO: 4007/43

SICHUAN

SICHUAN TO DREDGE ANCIENT IRRIGATION SYSTEM

OW251333 Beijing XINHUA in English 1321 GMT 25 Sep 86

[Text] Chengdu, 25 Sep (XINHUA)--The authorities in Sichuan Province have decided to dredge a 2,000-year-old huge water conservancy project, a local official said today.

The whole dredging project needs 72 million yuan (U.S. \$19.5 million) and the provincial government has allocated 11 million yuan (U.S. \$2.9 million) to clean out one floodgate, a key water control of the whole system, and to extend a 10-kilometer canal. Work will start this winter or next spring.

As a result, current water velocity will double to 150 cubic meters per second. This will greatly cease water shortage in Chengdu, capital of Sichuan Province, and areas around it, the official said.

The ancient project, known as the Dujiang Dam, was built during the warring states (475-221 B.C.). It has been since kept functioning but the irrigated acreage covered by it was reduced to no more than 134,000 hectares in the 1950's. This figure has been quadrupled thanks to constant maintenance in the past 30 years and more.

But because of silt blockage and other damages, it could hardly meet the increasing demand of its irrigation area.

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CSO: 4020/31

SICHUAN

BRIEFS

SICHUAN GOOD HARVESTS--Sichuan has reaped good harvests this year despite natural disasters. According to statistics, the spring grain harvest increased by 290 million kg over last year, a rise of 3.7 percent. Early rice output increased by 70 percent [as heard] over last year. Yields of mid-season rice and single-crop late rice have improved. In addition, the area of late autumn grain crops is greater than last year. It is hoped that total grain output over the year will show an increase over last year, and that this will be one of the province's best years. Output of cotton, sugarcane, jute, and bluish dogbane has dropped, but that of oil-bearing crops, fruit, tea, ramie, and tobacco has increased. The number of pigs marketed in the first half of the year showed an increase of 3.14 million over the same period last year, while output value of township enterprises rose by 24 percent. A sample survey shows that average cash incomes for the peasants rose by 8.75 percent. [Summary] [Chengdu Sichuan Provincial Service in Mandarin 2300 GMT 30 Sep 86 HK] /9599

CSO: 4007/44

YUNNAN

CANE SUGAR POLICIES DISCUSSED

Kunming YUNNAN RIBAO in Chinese 5 Sept 86 p 3

[Article by Qian Desan [6929 1795 0003], Yunnan Provincial Planning Committee: "Problems Encountered in Developing Excellent Cane Sugar Resources and Policies to Counter Them"]

[Text] Yunnan now has more than 1.2 million mu of sugar cane, total output of 4,798,000 tons, and almost 2 million people engaged in cane sugar production, making it one of the major industries in Yunnan.

Before 1955, Yunnan did not have a machine-processed white sugar refinery. Since the 3rd Plenum of the 11th Central Committee of the CPC, there has been large growth in the cane sugar industry, so that now there are 60 machine-processed white sugar refineries and 32 brown sugar refineries as well as some brown sugar refineries run by townships and towns; they daily process more than 53,000 tons of sugar cane. Since the 3rd Plenum of the 11th Central Committee of the CPC, cane sugar production has increased 333,000 tons, a three and a half-fold increase over the period before the 3rd Plenum of the 11th Central Committee of the CPC. The key factor in this rapid growth in the cane sugar industry are the decisive strategies and the series of correct policies made by provincial leaders in regard to expanding the cane sugar industry.

The overall development of Yunnan's cane sugar industry is in good shape, but on the road forward we are meeting a few rather difficult problems. The first is the depressed market, the decline in the international sugar price, and the definite effect that imported sugar has on cane sugar production. The second is the low economic results in the cane sugar industry, low per-unit yields of sugarcane, and low sugar rates - this pressing season each ton of sugar has required almost 3 mu of cane fields; in addition, in recent years sugar refineries have been built too quickly, so that the development of cane sources has not kept up with the development of the sugar processing industry. The average usage rate of sugar refineries during this pressing season was only about 88 percent, affecting the achievement of economic results in the sugar processing industry. There are also some sugar refineries which are poorly managed and have declining profits; there have been 10 sugar refineries running at a deficit, which affects the enthusiasm for managing enterprises. The third problem is that the cane sugar industry management system is ill

suited to the needs of modern market changes and competition. Planting cane, processing sugar, and circulation are inherently connected, but the reality of the management system is such that the economic interests of each are separated; cane farmers sell sugarcane to sugar refineries, sugar refineries then sell the sugar to commercial warehouses. The three partners in this industry each control their own segment, without any economic rights and interests binding them together. This type of management system cannot cope with the demands of society-oriented large production, nor can it meet the need to compete in the modern market. Furthermore, it is possible that it will become a factor limiting further growth in the cane sugar industry.

In order to deal with the problems now facing cane sugar production, I feel that we should take the following policy steps: first, we should use the spirit and vision of reform to adjust every department in the cane sugar industry and the assignment of interests to each link, so as to better stimulate the enthusiasm of the four parties: cane farmers, sugar refineries, commerce, and prefectures and counties. Each department should make the interest of the entire industry the basis of its own decision-making. Second, we must face the insufficient supply of cane and the difficulty refineries have in repaying debts and interest due to low profits; the sugar industry in Yunnan should adopt the overall policy of consolidation, improvement, use, and multiple processing. In general, we should not build more refineries in the immediate future, but rather strive to allow the existing sugar refineries to "eat their fill" and "eat well," raise the sugar content of the cane, lower cane consumption, lower costs, raise the level of profits; strive to improve the per-unit yields of sugarcane, increase the income of cane farmers; use ingenuity to develop comprehensive use of byproducts of the sugar processing industry and improve the economic results of sugar refineries; make wide use of tropical natural resources to develop intensive processing, develop series of products converted from sugar, and gradually realize the simultaneous sale of raw sugar and sugar products. These measures will undoubtedly achieve good results in meeting the needs of society and strengthening the market competitive ability of the sugar industry. Therefore, the development strategy for Yunnan's cane sugar industry lies in striving to develop a series of sugar products which, in their depth and breadth, will take full advantage of our excellent tropical natural resources and which will be very competitive; furthermore, we should gradually establish large cane sugar industry bases, focussing on cane sugar, which will consist of fairly complete and integrated industries such as candy, cakes, beverages, paper-making, packaging, and candy machine manufacturing. These bases should become a decisive economic bulwark of Yunnan's economy.

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ZHEJIANG

BRIEFS

FARMERS TAKE UP FULL-TIME JOBS--Hangzhou, 16 Oct (XINHUA)--Half of the farmers in Zhejiang province in east China have given up full-time care of their fields for more lucrative factory or service work since the rural reform began in 1979, officials said today. Nine million people have taken up full-time plowing, irrigation and transportation work in 64,000 locally-owned labor service units, in industrial enterprises and as peddlers. Overall, according to the officials, more than 1.5 million people have given up farming their own plots to provide all kinds of services for other peasants. Many of those with full-time factory jobs continue to work on their family's farmland. To help them, some rural factories have organized special teams of worker-farmers who do field work for employees who concentrate on factory production. [Text] [Beijing XINHUA in English 0741 GMT 16 Oct 86 OW] /12624

ANIMAL HUSBANDRY DEVELOPS--Based on August statistics, the number of pigs in the province were 14,225,000, an increase of 8.82 percent over the same period last year. Sows numbered nearly 1 million, an increase of 11.45 percent over the same period last year. From January to August, 8,060,000 pigs were slaughtered, an increase of 13.25 percent over the same period last year. As of the end of August, there were 90,340,000 head of poultry in the province, a 12.28 percent increase over the same period last year. [Excerpts] [Beijing NONGMIN RIBAO in Chinese 2 Oct 86 p 1]

TIMBER SHORTAGE--As of the end of June, timber reserves in the province dropped to 360,000 cubic meters, a 28 percent decline since the beginning of the year, and market prices have increased 10 to 20 percent. The major reasons are: 1) Timber imports have declined. It is estimated that the province will only import 300,000 cubic meters of timber this year, a 34.8 percent decrease over last year. 2) Domestic production has declined. Forestry regions in the south have improved forestry management, and have controlled the volume of trees cut. It is estimated that 200,000 cubic meters of timber will be transferred from other provinces, a decline of 150,000 cubic meters over last year. Zhejiang has produced 2 million cubic meters of timber, a decline of 200,000 cubic meters over last year. 3) Demand for timber in rural markets has increased. 4) Demand for timber in construction projects is higher than last year. [Excerpts] [Beijing NONGMIN RIBAO in Chinese 9 Oct 86 p 2]

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